



rsaia.org

2017 RSAI ANNUAL MEETING

October 25, 2017

**FFA Enrichment Center, DMACC Campus
Ankeny, IA**

5:30 – 8:00 p.m.



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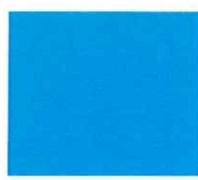
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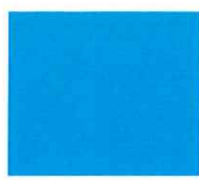
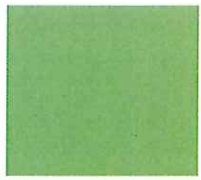
Oct. 25, 2017 5:30 – 8:00 p.m.

FFA Enrichment Center, DMACC Campus

1055 SW Prairie Trail Parkway, Ankeny, Iowa 50023

5:30 – 6:00 p.m., registration, dinner, networking
Annual meeting begins at 6:00

1. Call Annual Meeting to Order. Approval of the Agenda.
2. Introduction of attendees
3. Annual Meeting Business
 - 2016-17 Annual Audit
 - 2017-18 Budget
 - 2017-18 RSAI Membership Dues
4. Results of Elections of SE Region and NW Region Representatives to the Leadership Group for three-year terms through Sept. 2020.
5. Introduction of the RSAI Leadership Group.
6. Election of RSAI At-Large member for a three-year term
7. Report from NREA Annual Conference
8. Status of RSAI 2017 Priorities
9. Report of Aug. 9 Legislative Group meeting
10. Consideration of Proposed Amendments to RSAI Bylaws
11. Establish RSAI legislative priorities for the upcoming Session
12. Focus Area Prioritization
13. Strategic Advocacy Group Conversations– plan for grassroots advocacy / legislative contacts
14. Any other business
15. Adjourn (please note: Leadership Group Convenes short organizational meeting upon conclusion of the Annual Meeting)

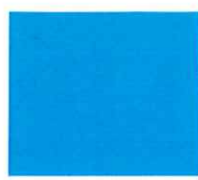


RSAI Essential Values

Background: The following themes provide a concise 30,000-foot view to help define the organization and drive lobbying responses to proposals outside the boundaries of defined RSAI legislative priorities.

RSAI Essential Values: (Considerations when formulating positions on Legislative Issues):

- **Students First:** State policies and resources should be designed to support schools in providing equal opportunities and success for students in **all districts of all sizes and locations**.
- **State Mandates:** Any new mandates ought to be founded on a principal of state public purpose. If the state compels school district action, the costs of that action must be initially funded and continually supported with a long-term sustainability plan.
- **Flexibility:** In education policy, one size does not fit all school districts, classrooms or students. District leaders need maximum flexibility to provide a great education to all students. The state role is to define what outcomes are necessary for all students, leaving flexibility to schools in expenditures and policy to best determine how to deliver those intended outcomes.
- **Recognize Need and Capacity:** Formulas for funding should be based on student needs rather than exclusively defined based on enrollment. Per pupil funding alone does not recognize the challenge of maintaining capacity for supporting and improving education during continuous enrollment decline.
- **School General Fund Revenues Drive Instruction:** General Fund dollars pay for education. Any inequities on the expenditure side of the General Fund deprive districts of resources to pay for education. School transportation costs are a prime example.
- **Local Control:** Local leaders will typically make the best decisions for students, especially when they have adequate flexibility and resources to make those decisions. The state should exhaust other tools to correct local district mistakes when they believe those happen, rather than legislating for all districts (such tools may include but are not limited to DE review, set accreditation expectations, AEA support, SBRC request for a conversation, etc.)
- **State Program Sustainability:** Funding for state initiatives should be defined and planned, including providing a plan for adequately funding the basic cost of education along the way, while defining sustainable sources of revenue for new state reforms and initiatives.
- **School Sustainability:** Decisions about school sustainability should be based on the inability to deliver student success, rather than assumptions about the size of a school district. Sharing, reorganization, consolidation and dissolution decisions are best made locally. The state provides support through the provision of incentives to help eliminate barriers to those conversations.



RSAI Leadership and Contact Information

RSAI Leadership Group

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

*Dennis McClain, Clay Central Everly, Superintendent, dmcclain@claycentraleverly.org

**Kevin Fiene, I-35, Superintendent, kevin.fiene@rsaia.org

SE Laurie Noll, Fairfield, Superintendent, laurie.noll@fairfieldsfuture.org

SW Paul Croghan, East Mills, Superintendent, pcroghan@emschools.org,

*Dan Smith, Harmony, Board President, dan.smith@rsaia.org

NE Lee Ann Grimley, Springville, Board President, leeann.grimley@rsaia.org

**[\(At-large 3-year term up in September 2017 to be voted at the Oct. 25, 2017 Annual Meeting\)](#)

RSAI Legislative Group

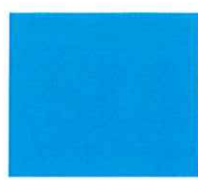
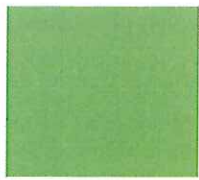
*At-large members of the Leadership Group above plus:

NE Duane Willhite, North Fayette Valley, Superintendent

NW Tara Paul, Estherville-Lincoln Central, Superintendent

SE Kerry Phillips, Harmony, Superintendent

SW Jeremy Maske, I-35, Board Member



Memo re Financial Statement Audit

June 30, 2017

TO: RSAI Leadership Committee

FROM: Kevin Fiene, RSAI Treasurer

DATE: September 9, 2017

RE: RSAI Financial Statements for the Fiscal Year Ended June 30, 2017

1. SUMMARY

Rural School Advocates of Iowa (RSAI) concluded its third full year in business as of June 30, 2017. During the 2016-17 fiscal year, RSAI consisted of 72 member districts, up from 67 members during 2015-16, contributing a total of \$50,550 of gross revenue. Total expenses for the fiscal year were \$51,105, with payments for association management and professional advocate services totaling \$42,968. Net revenue for the fiscal year was negative \$555. RSAI assets as of June 30, 2017 totaled \$4,443. Due to the limited number of transactions during the fiscal year, it was decided by the RSAI Leadership Committee to forego the expense of a formal external audit and instead conduct an internal review of the financial transactions.

2. SCOPE

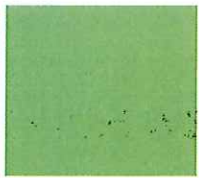
As RSAI Treasurer, I have conducted an internal review of the financial transactions of the Rural School Advocates of Iowa (RSAI). The time period covered by this review is July 1, 2016 to June 30, 2017. In my opinion, the internal review procedures conducted are sufficient to evaluate the accuracy of the financial report that follows this memo.

3. SOURCES OF INFORMATION

RSAI day-to-day financial transactions are performed by staff members and contractors of Iowa School Finance Information Services (ISFIS). The financial review was conducted on the basis of questionnaire, inquiry, observation and verification of supporting documentation and identified processes.

4. FINDINGS

After the internal review was conducted, I have identified no significant findings requiring adjustments to the financial statements presented.



RSAI Financial Statements
June 30, 2017

Current Assets

Cash - Wells Fargo Checking	4,443	
Accounts Receivable	-	
Prepaid Items	-	
Total Current Assets	-	4,443

Other Assets

Other	-	
Total Other Assets	-	-

Total Assets

4,443

Liabilities

Accounts Payable	-	
Advances from/Amounts Due to ISFIS	3,719	
Deferred Income	1,300	
Total Liabilities	5,019	5,019

Equity

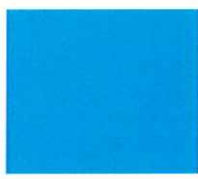
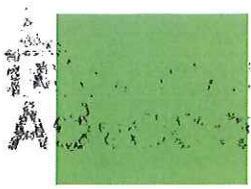
Retained Earnings	(21)	
Net Income	(555)	
Total Equity	(577)	(577)

Total Liabilities & Equity

4,443



	YTD Actual June 2017	Annual Budget 2016-17
<u>Income</u>		
Membership Dues	50,550	56,250
Other	-	-
Total Income	50,550	56,250
<u>Expenses</u>		
Advertising/Promotion	2,314	2,500
Postage	467	35
Supplies/Printing/Signage	457	1,000
Computer Hardware/Software	479	479
Insurance	400	400
Dues, Subs & Ref Matls	750	500
Consultation Fees - Assoc Mgmt/Professional Advocate	42,968	47,813
Consultation Fees - CPA Services	-	250
Legal Fees	-	250
Hosting, Domain & Website Fees	818	550
Annual Conference	1,397	1,450
District Workshops	1,056	1,000
Other	-	23
Total Expenses	51,105	56,250
Net Income	(555)	-



RSAI 2017-18 Budget – Approved

Income

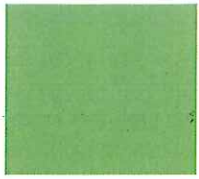
Membership Dues	\$56,250
Total Income	\$56,250

Expenses

Advertising/Promotion	\$2,000
Postage	\$150
Supplies/Printing/Signage	\$1,000
Computer Hardware/Software	\$479
Insurance	\$400
Dues, Subs & Ref Matls	\$750
Consultation Fees – Assoc Mgmt/Prof Advocate	\$47,813
Consultation Fees – CPA Services	\$250
Legal Fees	\$250
Payroll & Benefits	–
Hosting, Domain & Website Fees	\$550
Annual Conference	\$1,500
District Workshops	\$1,000
Other	\$108
Total Expenses	\$56,250

Net Income

0



2017-18 RSAI Membership Pricing
(July 1, 2017 – June 30, 2018)

Standard Pricing \$750 per district

Whole Grade Sharing \$550 per district if both join
(approx.. 25% discount)

Final Year of WGS before Reorg \$375 per district if both join
(approx. 50% discount)

DISCOUNTS

Negative Spending Authority 100% discount off fee
(fee waived with approval from RSAI Leadership Committee for financial hardships)

ISFIS Policy/Negotiations Subscriber \$100 discount off fee
(discount paid by ISFIS on district's behalf)

RSAI By-Laws [\(Proposed Amendment Tracked and Annotated beginning on P. 3\)](#)

Name: The name of the organization shall be the Rural School Advocates of Iowa and shall be referred to below as "RSAI".

Mission:

RSAI will advocate for students in rural schools to assure a fair, equal, and quality education.

Vision:

Member schools will collaborate to promote legislation that strengthens rural education for students, by;

1. Educating others about the value of rural education to the state's economy and future of Iowa as an educational leader in the nation and the world;
2. Building the capacity and understanding of other groups with similar interests on legislative and educational issues to build a stronger voice;
3. Securing adequate resources, academic and financial, to provide first class educational opportunities for rural students; and
4. Maintaining local control through the flexibility and authority of locally elected School Boards.

Membership:

Membership of RSAI shall be open to School Districts in Iowa that share the values and mission of RSAI in advocating for students in rural schools to assure a fair, equal, and quality education. Affiliate membership is extended to other organizations/entities sharing the values and mission of RSAI, as approved by the RSAI Leadership group. Input from affiliate member organizations is valued but such organizations are non-voting affiliate members of RSAI.

Membership in RSAI shall not be considered in lieu of membership in other organizations serving students in the state of Iowa. RSAI will work closely with all organizations sharing its Mission, Vision and Legislative priorities.

Member School Districts shall be responsible for advocating for students attending Iowa's rural schools; creating local networks to support RSAI identified Legislative priorities; and assisting Legislators in gaining a better understanding of rural student and school needs.

Member School Districts are encouraged to create a Liaison responsible for Legislative advocacy from among its Board members to fulfill its RSAI responsibilities and act as a direct contact within the School District for RSAI.

Membership Dues shall be provided each year at the Annual meeting of RSAI. Dues shall be the same for all member school districts regardless of certified enrollment. However, school districts engaged in whole grade sharing prior to the final year preceding reorganization may receive a discount of 25% each. Districts sharing in the final year prior to reorganization may each receive a 50% discount. In both cases,

the two districts may determine the ratio of responsibility for payment. The leadership group may waive dues for districts with financial hardship.

Member School Districts can withdraw membership at any point through written notification to the RSAI Leadership Group. Dues paid are non-refundable.

Member School Districts shall be entitled to participation in RSAI as follows in these By-Laws.

Voting:

Unless otherwise specified in these By-Laws, all voting is to be done in person. Active electronic attendance is permitted via internet technologies or in response to survey or other electronic communication as approved by the RSAI Leadership Group. Proxy voting between and by School Districts is not allowed. Each District in attendance shall be entitled to one vote on all issues addressed at the RSAI Annual Meeting or as needed between RSAI Meetings as determined by the RSAI Leadership Group.

Quorum:

Unless otherwise specified in these By-Laws, Quorums are not required.

Meeting Procedures:

The latest version of Roberts Rules of Order shall be used to determine procedural questions except as otherwise directed by the membership.

Agendas:

Unless otherwise specified in these By-Laws, agendas must be forwarded to participants no later than 7 days prior to meetings and must include a date, time and location in addition to actions required at each meeting as per these By-Laws. Unless otherwise specified, creating agendas will be the joint responsibility of the Secretary/Treasurer and Chair of the Leadership Group and must be posted by the Secretary/Treasurer or the Secretary/Treasurer's designee.

Vacancies:

If the Leadership Group determines it is unnecessary to appoint to fill a vacancy, a vacancy shall remain vacant until the next election cycle.

Consideration:

Consideration should be given to equal representation of all elected positions within RSAI for equal distribution of elected Board members and Superintendents.

Good Standing:

Only School Board members and Superintendents in Good Standing in their respective School Districts are eligible to hold elected office in RSAI. Changes in status such as but not limited to failure of Board members to gain reelection to their local School Board or changes in School District employment in the

case of Superintendents shall be deemed vacant.

RSAI ~~Districts~~Regions:

Member School Districts shall be divided into 4 ~~Districts~~ Regions known as RSAI ~~Districts~~Regions. These ~~districts~~ Regions shall be defined as per the map in Appendix A - “RSAI ~~Territories~~Regions”. Should a merger between one or more districts occur and both districts do not occupy the same RSAI ~~Territory~~Region, the reorganized district shall be included in the RSAI ~~Territory~~Region of the district which had the greatest land area prior to the reorganization.

- Changes reference throughout to consistent wording. RSAI regions, Region Meetings, Region Representatives.
- Eliminates use of “district” since that is easily confused with school districts.
- Eliminates use of the word “territory” which was also descriptive of what are now proposed to be called “regions”.

RSAI ~~Districts~~Regions shall meet annually in the summer and as deemed appropriate and necessary by the RSAI Leadership Group. Each District shall be entitled to one vote on all issues addressed at RSAI ~~District~~Regional Meetings. A shared superintendent present at the meeting may cast one vote for each member district he/she represents.

The RSAI ~~District~~Region meeting ~~participants~~ shall elect an RSAI ~~District~~Region Representative to serve a term as specified later in these By-Laws on the RSAI Leadership Group and shall act as Chair of the ~~District~~Region meetings during their term. The RSAI ~~District~~Region Representative will be responsible for making all arrangements necessary for RSAI ~~District~~Region meetings during their term including the sharing of an Agenda with members at least 30 days in advance of the meeting.

- Inserts missing word in two places: participants can elect a representative but a “meeting” cannot.

The RSAI ~~District~~Region meeting ~~participants~~ shall elect an RSAI ~~District~~Region Liaison to the RSAI Legislative Group. It shall be the responsibility of the RSAI ~~District~~Region Liaison to present the RSAI ~~District’s~~Region’s Legislative priorities at the Legislative Group meeting each year. The term of office of the RSAI ~~District~~Region Liaison shall be one year.

At the RSAI ~~District~~Region meeting, amendments to these By-Laws may be presented for consideration. In order for an amendment to move forward to the RSAI Legislative Group for consideration, a 2/3 majority is required.

At the RSAI ~~District~~Region meeting, Legislative priorities for the upcoming Iowa Legislative Session shall be established and forwarded for consideration to the RSAI Legislative Group. Determination of Legislative priorities shall be based on a simple majority vote.

RSAI Legislative Group:

RSAI District Liaisons shall gather with the At-Large Leadership Group members as the RSAI Legislative Group annually, but in no event later than 4 weeks prior to the RSAI Annual Meeting.

The Legislative Group will select a Chair and Vice-Chair/Secretary from among its members to conduct

the RSAI Legislative Group meeting. The term of office for both will be one year.

The RSAI Legislative Group will be responsible for reviewing, amending as necessary and finalizing the Legislative Priorities as identified at the RSAI [District-Region](#) meetings.

The RSAI Legislative Group shall present a set of recommended Legislative Priorities for consideration at the RSAI Annual Meeting. The recommended legislative priorities are presented as a draft with responsibility for finalizing the determination of RSAI's legislative priorities on the body of the RSAI annual meeting participants.

The RSAI Legislative Group shall present any Amendments to these By-Laws for consideration at the RSAI Annual Meeting. In order for an amendment to be included on the agenda at the RSAI Annual meeting for consideration, a 2/3 majority of the RSAI Legislative Group is required. Such proposed amendment shall be submitted to the RSAI Leadership Group at least 14 days prior to the Annual meeting.

RSAI Annual Meeting

All member School Districts shall gather annually as determined by the Leadership Group. This meeting shall be known as the RSAI Annual Meeting. An Agenda of the Annual meeting shall be sent to all member school districts no less than 30 days in advance of the Annual meeting by the RSAI Leadership Group Chair.

At the RSAI Annual meeting, three At-Large members will be elected for membership in the RSAI Leadership Group who in conjunction with the 4 RSAI [District-Region](#) Representatives shall comprise the RSAI Leadership Group. RSAI [District-Region](#) Representatives and At-Large members will take office at the conclusion of the Annual meeting in the year in which they were elected.

At the RSAI Annual meeting, members will approve a slate of Legislative Priorities for the upcoming State Legislative Session.

At the Annual meeting, amendments to these By-Laws may be adopted by a 2/3 majority vote.

At the Annual meeting, the budget for the upcoming fiscal year shall be shared with membership. The budget shall include the payment for association member services including advocacy for the upcoming year.

At the Annual meeting, the RSAI Leadership Group Secretary/Treasurer shall present an Annual Audit or an annual financial report for the most recently completed fiscal year.

RSAI Leadership Group:

As specified, 4 [District-Region](#) Representatives and 3 At-Large members shall comprise the RSAI

Leadership Group.

The Election cycle shall be:

RSAI SW [District-Region](#) & 1 At-Large: upon ratification, 3-year term; 3 years thereafter

RSAI NE [District-Region](#) & 1 At-Large: upon ratification, 2-year term; 3 years thereafter

RSAI NW [DistrictRegion](#), RSAI SE [District-Region](#) & 1 At-Large: upon ratification, 1-year term; 3 years thereafter

It shall be the responsibility of the RSAI Leadership Group to direct operations of RSAI; select, retain and evaluate the services of the Professional Advocate; establish dues for the upcoming fiscal year, coordinate local network efforts with member school districts and the Professional Advocate; create and conduct School District network training; conduct the RSAI Annual Meeting; coordinate annual Legislative day activities and encourage membership in affiliate associations where appropriate.

Members of the RSAI Leadership Group will select the following positions from among its membership by vote annually: Chair, Vice-Chair and Secretary/Treasurer.

It shall be the responsibility of the Chair to create agendas for meetings as required in these By-Laws; act as the official spokesperson for RSAI; sign warrants and preside at meetings.

It shall be the responsibility of the Vice-Chair to act as temporary Chair when the Chair is absent.

It shall be the responsibility of the Secretary/Treasurer to monitor all appropriate records and warrants or drafts drawn from the treasury; conduct an annual audit or annual financial report for presentation at the Annual Meeting; maintain minutes of each meeting; and file any reports necessary with the Iowa Secretary of State and State Legislature regarding non-profit status and lobbying activities as required.

A majority of members is required in order to conduct business at the RSAI Leadership Group meetings.

A vacancy in the Leadership Group shall be filled by the Leadership Group at its next regular meeting by majority vote. Vacancy of a [District-Region](#) Representative must be filled by a member school district in the same RSAI [DistrictRegion](#). At-Large vacancies may be replaced by any member school district. Notice of vacancy and intent to appoint a replacement shall be sent to all appropriate member districts soliciting interest.

The RSAI Leadership Group shall be responsible for determining legislative positions responding to legislation that arises between annual meetings that the RSAI Legislative Group and list of legislative priorities did not anticipate or address.

The RSAI Leadership Group may appoint Committees as deemed necessary. These Committees shall be tasked with a specific objective. The duration of the Committee shall be limited and end with a report to the Leadership Group on a specific date to be established at their inception. Committees shall make

recommendations to the RSAI Leadership Group, but shall not adopt policy, take independent action or endorse any entities that will do either.

Regular meetings of the RSAI Leadership Group shall occur monthly or as otherwise directed. A meeting schedule of all meetings shall be developed by the RSAI Leadership Group for the year following the Annual Meeting. At the discretion of the RSAI Leadership Group, regular meetings may be held electronically but must include an interactive format and may be recorded.

An Agenda including the time and location of a Regular meeting shall be forwarded to all members of the Leadership Group at least 1 week in advance of the meeting by the Chair of the Leadership Group or the Chair's designee.

Appendices:

- A: Statewide RSAI [District-Region](#) map
- B. RSAI Organizational Flow Chart
- C. RSAI Professional Advocate Job Description

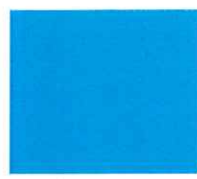
Adopted: 18 January 2014

Amended: 25 October 2014

Amended: 15 June 2015

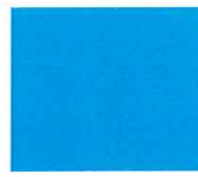
Amended: October 2016

[Amended \(proposed\): October 2017](#)



2018 Proposed Priorities

1. **Transportation Equity:** Supports a mechanism that covers school transportation costs that does not unreasonably disadvantage property tax payers in property poor districts or compete with general funds otherwise spent on providing education to students. (No change from 2017 Session.)
2. **Equality in the formula:** RSAI supports raising the state cost per pupil to the maximum district cost per pupil in the formula. (No change from 2017 Session.)
3. **State Penny for School Infrastructure Extension:** RSAI calls on the Iowa Legislature to extend or repeal the sunset of the state penny for school infrastructure. Since voters in Iowa's 99 counties approved the sales tax for public schools, any change in use of the revenue in the extension should be dedicated to educational purposes only. (No change from 2017 Session.)
4. **Operational Sharing and Reorganization Incentives:** Rural students benefit from opportunities to achieve efficiencies, share capacity to operate, and redirect resources to educational programs. The Operational Sharing Incentives and Reorganization Incentives should be maintained and expanded to provide additional capacity to school districts to improve educational outcomes for students. (New wording)
5. **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, in addition to enrollment of the district. The current disparity in dropout prevention capacity ceiling, with some districts held to 2.5% and others allowed to access up to 5% of regular program district cost is unfair, arbitrary, and based on old history no longer relevant to supporting student needs. Districts should be given flexibility in determining the expenditure of at-risk resources to support students to graduate college/career ready for success. ([No change from 2017](#))
6. **State Supplemental Assistance:** Formula funding is especially critical to students in rural Iowa due to transportation costs, economies of scale, unique needs of students, mandates and compliance, the need for quality AEA services, and the ability to attract and retain staff in rural Iowa. The sustainability of a quality education in rural schools depends on the return of education as the state's top priority with an investment of meaningful new resources to improve opportunities for students. The resurrection of this priority will take several years of significant investment making sure that new mandates are funded outside of the formula and not instead of it. ([New language](#))
7. **Quality Instruction for Rural Students:** In order to maintain student access to great teachers, rural school districts require maximum flexibility to meet licensure requirements. RSAI supports district authority to create online alternatives and allow dual enrollment courses to meet offer and teach requirements to ensure students in rural Iowa have access to great instruction and support district compliance with accreditation standards. RSAI also supports reinstatement of the teacher shortage loan forgiveness program and consideration of additional incentives to encourage teachers to work in rural schools. ([New language](#))
8. **Quality Preschool:** RSAI supports full funding of quality preschool. Due to changing demographics in rural Iowa, significant transportation costs, and lack of quality day care access, quality preschool for three- and four-year olds should be fully funded. Preschool students should be included in the regular student count at 1.0 per pupil cost. ([No change from 2017](#)).



RSAI Legislative Group Meeting Minutes

August 9, 2017

10:00 – 2:00, ISFIS Office

1201 63rd Street, Des Moines, IA 50322

Group Members:

Kerry Phillips (Harmony and Mormon Trail)

Tara Paul (Estherville-Lincoln Central) Marty Fonley, Algona

Jeremy Maske (I-35)

Duane Willhite (Valley and North Fayette)

Dan Smith (Harmony) (connected via gotomeeting)

Kevin Fiene (I-35)

Dennis McClain (Clay Central - Everly) (connected via gotomeeting)

Staff: Margaret Buckton, Larry Sigel, Marissa Gaal

Meeting convened at 10:00 a.m., McClain and Smith connected via gotomeeting. Phillips, Fonley (filling in for Paul), Maske, Willhite, Fiene, Buckton and Sigel were present.

The group made introductions and updated contact information while working on technology issues regarding the virtual attendees. McClain and Smith called into the phone conference line for sound and stayed connected to the gotowebinar site for visuals.

Buckton reviewed the Legislative Group Responsibilities. Sigel reviewed the membership map. The business of the meeting commenced.

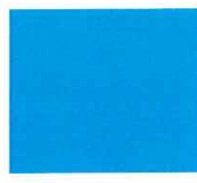
Fiene moved, Phillips seconded slate of members for leadership positions, including Maske for Chair, Smith for Vice Chair and Willhite for Secretary. Approved unanimously.

After reviewing the RSAI Essential Values document, discussion ensued. The group recommended highlighting the key value of Students First, with all other values supporting that purpose. Buckton will update the document before the annual meeting. Maske also suggested a students' bill of rights. Buckton will share that idea with the Leadership Group.

Fiene and McClain, as members of the RSAI Bylaws Subcommittee, recommend amendment to the bylaws for consistent terminology regarding RSAI geographic units to be called regions and made a grammatical correction regarding voting at the regional meeting. Chair Maske asked for a motion. Fonley moved approval of the by-laws proposal, Willhite seconded. Approved unanimously.

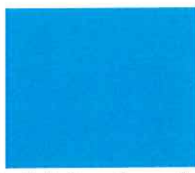
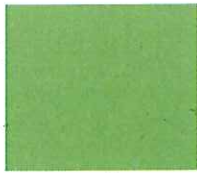
Buckton shared the report of RSAI Regional Meetings, highlighting priorities approved in all four regions, priorities from 2017 recommended for removal from the platform (assessment, home rule and summer school alternative), and new ideas (statewide health insurance pool, public schools first, and rural economic development incentives) that were approved in the regional discussions.

The group discussed the recommendations from the regional meetings, then worked through each resolution to determine if wording needed to change. Amendments were drafted and discussed by the



group. Consensus was reached on the following priorities to be recommended for consideration at the RSAI Annual Meetings on Oct. 25th:

1. **Transportation Equity:** Supports a mechanism that covers school transportation costs that does not unreasonably disadvantage property tax payers in property poor districts or compete with general funds otherwise spent on providing education to students. (No change from 2017 Session.)
2. **Equality in the formula:** RSAI supports raising the state cost per pupil to the maximum district cost per pupil in the formula. (No change from 2017 Session.)
3. **State Penny for School Infrastructure Extension:** RSAI calls on the Iowa Legislature to extend or repeal the sunset of the state penny for school infrastructure. Since voters in Iowa's 99 counties approved the sales tax for public schools, any change in use of the revenue in the extension should be dedicated to educational purposes only. (No change from 2017 Session.)
4. **Operational Sharing and Reorganization Incentives:** Rural students benefit from opportunities to achieve efficiencies, share capacity to operate, and redirect resources to educational programs. The Operational Sharing Incentives and Reorganization Incentives should be maintained and expanded to provide additional capacity to school districts to improve educational outcomes for students. (New wording)
5. **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, in addition to enrollment of the district. The current disparity in dropout prevention capacity ceiling, with some districts held to 2.5% and others allowed to access up to 5% of regular program district cost is unfair, arbitrary, and based on old history no longer relevant to supporting student needs. Districts should be given flexibility in determining the expenditure of at-risk resources to support students to graduate college/career ready for success. [\(No change from 2017\)](#)
6. **State Supplemental Assistance:** Formula funding is especially critical to students in rural Iowa due to transportation costs, economies of scale, unique needs of students, mandates and compliance, the need for quality AEA services, and the ability to attract and retain staff in rural Iowa. The sustainability of a quality education in rural schools depends on the return of education as the state's top priority with an investment of meaningful new resources to improve opportunities for students. The resurrection of this priority will take several years of significant investment making sure that new mandates are funded outside of the formula and not instead of it. [\(New language\)](#)
7. **Quality Instruction for Rural Students:** In order to maintain student access to great teachers, rural school districts require maximum flexibility to meet licensure requirements. RSAI supports district authority to create online alternatives and allow dual enrollment courses to meet offer and teach requirements to ensure students in rural Iowa have access to great instruction and support district compliance with accreditation standards. RSAI also supports reinstatement of the teacher shortage loan forgiveness program and consideration of additional incentives to encourage teachers to work in rural schools. [\(New language\)](#)



8. **Quality Preschool:** RSAI supports full funding of quality preschool. Due to changing demographics in rural Iowa, significant transportation costs, and lack of quality day care access, quality preschool for three- and four-year olds should be fully funded. Preschool students should be included in the regular student count at 1.0 per pupil cost. [\(No change from 2017\)](#)

Fiene moved approval of the slate of priorities as amended. Fonley seconded. Approved unanimously.

The group discussed assignments for leadership at the annual meeting, including the following:

- Transportation Equity: Maske
- Formula Equality: Willhite
- State Penny: Fiene
- Operational Sharing: Phillips
- At-risk Students: Paul
- SSA: Fiene, Maske and Smith
- Quality Instruction for Rural Students: Willhite
- Preschool: Phillips

The group discussed next steps regarding advocacy for priority issues.

McLain moved and Smith seconded adjournment, which was approved unanimously at 1:08 p.m.

Minutes respectfully submitted by Buckton August. 9, 2017



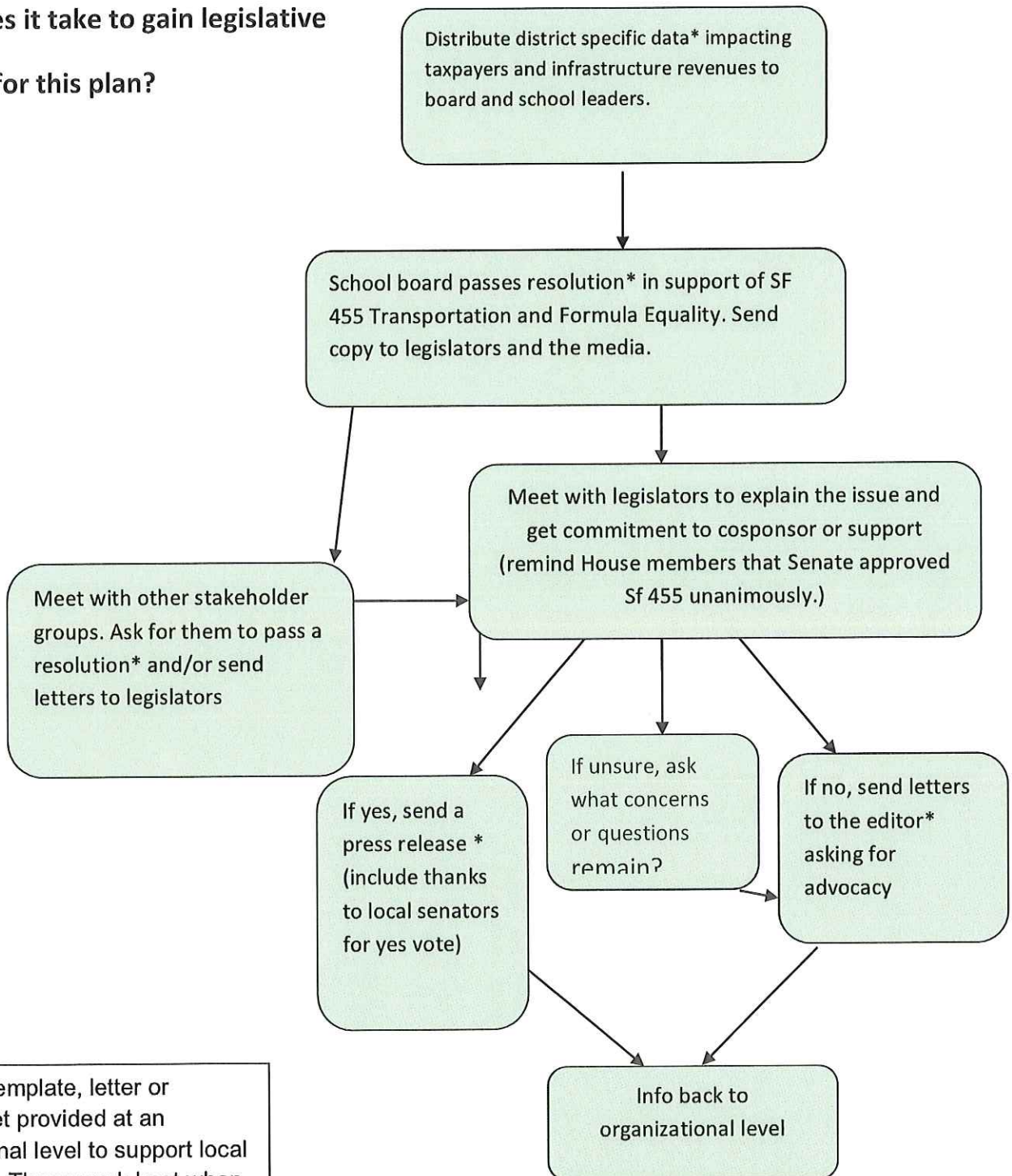
Report of RSAI Regional Meetings

Report of the RSAI Regional Meetings Summer 2017				
2017 Priorities	New Priorities	Continue	Delete	Notes/Explanation
Transportation equity		SE, SW, NW, NE		SF 455 - keep on that
Formula Equality		SE, SW, NW, NE		SF 455 - keep on that
SSA		SE, SW, NW, NE		SW: remove 6% reference and delete last two sentences
Extend operational Sharing incentives		SE, SW, NW, NE		NW: Priority area SE: add positions to count for weighting (although keep the cap of the equivalent of 21 students in place) such as librarian, technology, or work experience
Extend State Penny		SE, SW, NW, NE		Priority is possible because it doesn't cost the state money.
At-risk formula equity		SE, SW, NW, NE		SW: attention to the gap in 2.5% to 5%
PK fully funded include 3's Teacher shortage/Quality Instruction		SW, SE, SW, NW, NE		SW: specific mention of online alternatives to meet offer and teach requirements
Assessment			SE, SW, NW, NE	NE: amend to include offer and teach relief and distance learning/sharing options for rural schools to comply with content requirements in areas of teacher shortage
Home Rule			SE, SW, NW, NE	
Summer school alternative			SE, SW, NW, NE	
	State Health Insurance Pool	NW		Allowing school districts to participate in insurance with state employees
	Public Schools First	NE		Since private schools are required to meet standards (serving all students, licensure or content, transportation, home school has no oversight)
	State economic development incentives for rural/remote areas	NE		

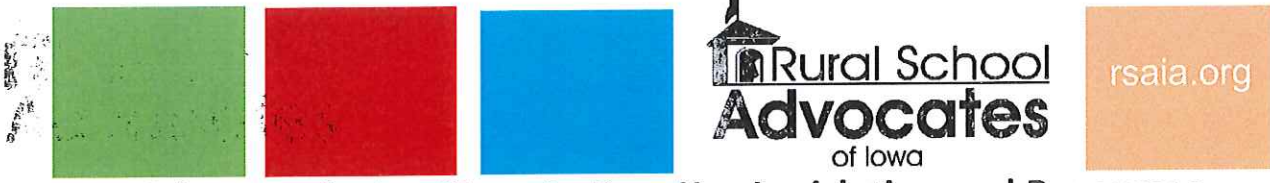


Transportation/Formula Equality Advocacy Action Steps

What does it take to gain legislative support for this plan?



* denotes template, letter or spreadsheet provided at an organizational level to support local advocates. These work best when personalized.



Advocacy Action Steps to Pass Key Legislation and Resources

Start Now: Board discussion of priorities following this annual meeting.

- Press release to local media modeled on RSAI press release template.
- Have copy for media in attendance.
- Discuss which of these issue matter for your local district students and staff.
- Delegate one or two board members/staff to send a letter to legislators about the conversation and why the issues are important.

Who's Leading? Put someone in charge of advocacy.

- Create an advocacy team in the district to organize connections with legislators and other community members
- Assign attendance at legislative “eggs & issues” meetings during Session
- Recruit a few parents to become familiar with the issues and support them to speak up when it's timely (connect them with Parents for Great Iowa Schools <http://parentsforgreatiowaschools.com/>)

Stay informed. RSAI has many supports. The pre-session issues video provides background and the importance of RSAI priorities to you inform staff and community about these issues. Share the video at an advocacy open house or meeting. <https://www.youtube.com/watch?v=2rpxOUzaQKo&feature=youtu.be> Watch for the weekly RSAI Capital Recap video and newsletter about what's happening at the Capitol and suggested advocacy actions each week. NEED HELP? If you need a letter drafted, a media piece edited, a position paper on an issue, or just want to talk through an upcoming advocacy opportunity, contact RSAI for help.

Work with others: Advocacy is about the collective power of people who care enough about the future of Iowa's children to contact policy makers and ask for them to act accordingly. Connecting with others is key to building the urgency with state-level leaders and making sure priority issues are on the table.

- Start local – who in your district could care? Parents, business leaders, local Farm Bureau or Chamber members, service groups, staff.
- Other neighboring school districts – work together with regional leaders to amplify your connection with legislators that represent voters in both districts.
- Every individual you recruit to advocacy has a connection, with a state level organization or entity that could also care about these issues.
- Stay connected with other education organizations, including IASB, SAI, ISEA, the Urban Education Network, AEA's and PGIS.

Lobbying is defined as “gentle persuasion applied relentlessly.” Put one advocacy action on your calendar every day. Always say thank you. Always circle back with more. Never give up.



Sample Press Release

FOR IMMEDIATE RELEASE

Rural School Advocates Set 2018 Legislative Agenda

FFA Enrichment Center, DMACC Campus, Ankeny, Iowa October 25, 2017

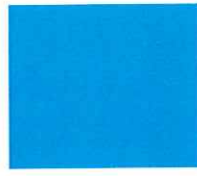
Representatives from member school districts of the Rural School Advocates of Iowa convened their Annual Meeting on Wednesday, Oct 25, at 6:00 PM at the FFA Enrichment Center in Ankeny. RSAI is beginning its fifth year of advocacy on behalf of the students, parents and communities in rural Iowa, to ensure that all students have access to a great Iowa education, regardless of where they live. RSAI members include over 90 Iowa school districts, ranging in enrollment from 97 to nearly 16,000 students. As Dr. Bob Olson, Chair of RSAI and superintendent of the Clarion-Goldfield-Dows school district reminded the members, “this is an organization of rural schools with a common mission of equality, not an organization of small schools.”

School transportation costs were a key focus of the group. Kevin Fiene, Superintendent from I-35 Community School District, and at-large representative on the RSAI Leadership Group, shared statistics of the miles traveled getting to and from school. “For us, those route miles we run to get students to school take away from the instruction we could provide. This is an equity issue. Our students are disadvantaged because of the funding we must spend getting them to the door. Isn’t their education just as important as all other Iowa students’ education?”

Duane Willhite, Superintendent from North Fayette Valley Schools, NE representative on the Legislative Group, weighed in on the priority of extending the state penny sales tax for school infrastructure and property tax relief. “We buy our 1-1 computers out of our sales tax fund. A lot of districts have elevated student learning out of this fund. Because our buildings are in good shape, we’ve been able to lower our physical plant and equipment levy property tax (PPEL) and our taxpayers appreciate that.” But he also expressed concern for districts with unmet infrastructure needs. “The sunset restricts our ability to borrow. Schools that need to borrow to do work in the district, will only have property taxes as a funding resource if the penny tax is not extended.”

Another key priority for rural schools was extending the operational sharing incentives, which Kerry Phillips, Superintendent, Harmony School District, explained. He shared that 160 school districts, mostly rural, obtained efficiencies or expanded opportunities for students in the prior year. “As the final year of the incentives nears in 2018-19, it’s critical for rural schools to build on last year’s success in the Iowa House and encourage the Senate to agree to the extension early in the Session,” Phillips emphasized.

Despite being one of the most complicated school finance issues discussed, student equality of Iowa’s school finance formula rose to a level of top priority for RSAI members. Olson explained, “This \$175 difference per pupil has no rational explanation, other than the history of what schools spent when the formula was created in the early 1970s.” “This is a moral issue for us,” added Dr. Arthur Tate,



Superintendent from Davenport Community Schools. "We are short \$145 million since its inception. Our kids deserve this and we need it."

The group stressed the importance of education for local economic development. Dennis McClain, Superintendent of Clay Central Everly and RSAI Vice Chair stated, "We are eager to cut taxes to help out local businesses in the community, but what businesses are going to want to hire uneducated students? There will be no businesses remaining in Iowa if we don't have educated workers."

Sandy Dockendorff, Board member, Danville, also weighed in on the impact of education job cuts in all communities. "Teachers are losing their jobs, but while we're more than willing to subsidize local business to ensure jobs are not lost or moved from the community, why aren't we viewing teaching jobs in the same way as we view jobs in business? They live in our communities, buy things in our communities, pay taxes in our communities."

RSAI members discussed the resources needed to provide a good education for students, including a meaningful increase in the state cost per pupil to make up for lost ground and resurrect education as the number one priority of the legislature. They call on state lawmakers to set the amount quickly as the 2018 session convenes, explaining this funding as a survival issue for rural schools.

RSAI members also included the following issues as additional priorities for the 2018 Legislative Session:

- Funding equity and flexibility for students at-risk of not succeeding in school
- Funding for 3- and 4-year old preschool at a 1.0 weighting, to help provide full day and cover transportation costs in rural schools
- Rural teacher quality incentive program and additional staffing flexibilities, to ensure students in rural Iowa have access to great teachers and multiple opportunities to meet their needs.

Position papers on key issues and a Digest of the 2017 Legislative Session are available on the RSAI legislative web page, <http://www.rsaia.org/legislative.html> or by contacting Margaret Buckton, Professional Advocate, RSAI Margaret.buckton@rsaia.org 515.201.3755

Contacts:

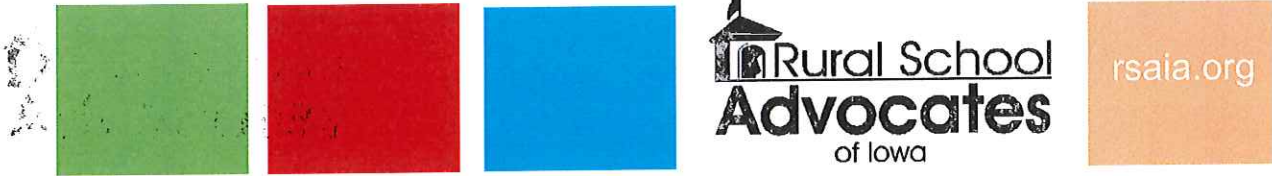
Dr. Robert Olson, Superintendent, Clarion-Goldfield-Dows, Chair, RSAI Leadership Group, Robert.olson@rsaia.org, (515) 532-3423

Dennis McClain, Superintendent, Clay Central-Everly, Vice Chair, RSAI Leadership Group dmclain@claycentraleverly.org (712) 933-2242

Kevin Fiene, Superintendent, Interstate 35, Secretary/Treasurer, RSAI Leadership Group kfiene@i-35.k12.ia.us (641) 765-4291

Jeremy Maske, Board Member, Interstate 35, Chair, RSAI Legislative Group Jeremy.maske@ssa.gov

###



Sample Transportation and Formula Equality Local Resolution

WHEREAS the Iowa Legislature and Governor annually set the state cost per pupil which determines the amount of revenue available to school districts to invest in the education of Iowa's students,

WHEREAS 170 of Iowa's school districts have been historically granted spending authority in addition to the state cost per pupil, as much as \$175 per student, yet 163 Iowa schools districts are prohibited from accessing that spending authority and effectively capped at the state cost per pupil,

WHEREAS local property taxes in the 170 districts with the additional spending authority are the sole source of funding for those additional resources,

WHEREAS historical spending patterns of school districts over four decades ago are the basis for this unequal revenue per student, yet have nothing to do with student or district needs today,

WHEREAS the per pupil inequality respects no borders, creating capacity inequities in districts which neighbor each other, contributing to open enrollment challenges for districts with lower capacity and challenging student needs,

WHEREAS the state has a vested interest in promoting and supporting equality and fairness in its school funding formula,

WHEREAS all school districts have faced recent years of record low funding increases, so any state fix to this problem must attend to the needs of all districts without further disadvantaging the 170 districts that have depended on this additional authority,

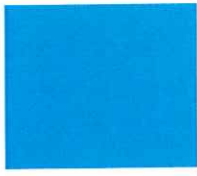
WHEREAS the cost to the state of fixing this per pupil inequality is estimated at \$88.5 million, the phased-in solution over ten years in SF 455, as approved by the Iowa Senate in the 2017 Legislative Session, is affordable to the state.

WHEREAS the other major inequity in school funding is school transportation costs, with school transportation mandated by the state, but paid out of the school foundation formula without consideration for the number of students transported, the number of route miles traveled, or the difficulty of terrain based on geography of school districts,

WHEREAS the cost of school transportation per student enrolled averages \$308 per student, the range varies from a low of \$13 per enrolled student to a high of \$915 per enrolled student, according to the Iowa DE's 2016 Annual Transportation Report,

WHEREAS the estimated total cost to the state of creating a transportation funding system outside of the school's general fund to attain equity is an estimated \$115 million, the phased-in solution over ten years in SF 455, as approved by the Iowa Senate in the 2017 Legislative Session, is affordable to the state.

BE IT THEREFORE RESOLVED:



The Iowa Senate is to be commended for approving SF 455 in the 2017 Legislative Session, with 49 senators in favor and none opposed.

The Iowa House of Representatives should continue their work and move SF 455 out of the House Appropriations Committee to the full House for a vote and should approve this proposed solution to the per pupil inequality in the school funding formula and school transportation expenditure inequities.

Governor Reynolds should advocate for and approve SF 455 when it is sent to her on the basis of student equity in Iowa and the importance of an equal opportunity for all Iowa students to have a world-class education.

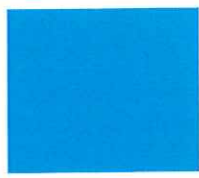
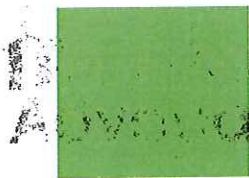
Absent Legislative Action to correct these inequalities, local school boards should have the authority to use cash reserves to fund them, until the state is capable of appropriating sufficient funds to solve the problem statewide.

BE IT FURTHER RESOLVED, we direct our school board secretary to send of copy of this resolution to our legislators and to local media to communicate with strong urgency that these inequalities be addressed without further delay.

Approved this day, _____, with the following school board members voting in favor:

_____ President

_____ Vice President



RSAl Web Page including Equity Look-Up Tool

RSAl Legislative Page: Equality Toolkit Resources includes impact look-up tools for SF 455 Transportation and Formula Equality.

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



2017 Legislative Session

[2017 Legislative Digest](#) | [2018 RSAI Issues Video](#)

Weekly Update & Calls to Action:

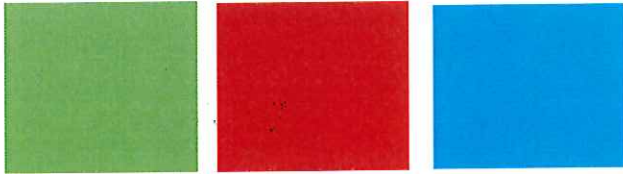
- [RSAl Call to Action: Federal Health Care Decisions and Iowa Schools](#)
- [Bob's Olson's Open Letter to Governor Branstad Regarding Home Rule](#)
- [Collective Bargaining Bill Summary HF291 and SF 213](#)
- [RSAl Analysis of Governor's Budget Recommendations](#)
- [RSAl Call to Action: Repeal of State Assessment SSB 1001 - Jan. 13, 2017](#)
- [RSAl Call to Action: School Funding Adequacy and Timing - January 31, 2017](#)
- [1.13.17 Weekly Update & Video](#)
- [1.20.17 Weekly Update & Video](#)
- [1.27.17 Weekly Update & Video](#)
- [2.3.17 Weekly Update & Video](#)
- [2.10.17 Weekly Update & Video](#)

Advocacy Resources

- 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](#)
- [Sample Parent Letters on School Funding and Equity](#)

Transportation Equity and Formula Equality Toolkit

- [Video Explaining Toolkit - Iowa School Funding Formula Equality: History, Impact, Solutions and Advocacy Action Steps](#)
- [Advocacy Action Steps for Passage of Equity Legislation](#)
- [Resolution on Equality - October 2016](#)
- [Press Release Template - Equity and Equality Resolution](#)
- [New Resolution Supporting Formula Equality and Transportation Equity 2017](#)
- [Equity - State and District Cost Per Pupil Issue Explanation](#)
- [FY 2017 DCPP and SCPP Impacts by Districts](#)
- [Simplified Spreadsheet: Formula Equality Impact by District](#)
- [DE 2016 Transportation Report Data by District](#)
- [SF 455 Impact Look-up Tool Transportation Equity](#)
- [SF 455 Impact Look-up Tool Formula Equality](#)
- [RSAl Position Paper on Formula Equality](#)
- [Superintendent Tate's Message: Statement of Funding Equality Issue](#)
- [Toolkit Links](#)



Impact of Equalizing District Cost per Pupil

Select District:

CLARION-GOLDFIELD-DOWS (CLR-GLDFLD) ▼

2017 - 18 District Cost per Pupil	\$ 6,699
Dollar Amount Below Maximum District Cost per Pupil	\$ 140

Enrollment Category	Enrollment	District Resources	District Resources if at Maximum	Difference	Property Tax Reduction if DCPD Greater than State Min
Budget Enrollment	966.70	\$ 6,475,923	\$ 6,611,261	\$ 135,338	\$ 33,835
Preschool Enrollment	31.50	\$ 211,019	\$ 215,429	\$ 4,410	\$ 1,103
Special Education Weightings	132.22	\$ 885,742	\$ 904,253	\$ 18,511	\$ 4,628
Supplementary Weighting - Sharing	14.30	\$ 95,796	\$ 97,798	\$ 2,002	\$ 501
English Language Learner Weighting	26.18	\$ 175,380	\$ 179,045	\$ 3,665	\$ 916
At-Risk Weighting	5.50	\$ 36,865	\$ 37,635	\$ 770	\$ 193
Total Weighted Enrollment	1,176.40	\$ 7,880,724	\$ 8,045,420	\$ 164,696	\$ 41,174



Clarion-Goldfield-Dows ▼

SF 455 Transportation Equity Impact

FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
\$ 51,651	\$ 103,458	\$ 155,651	\$ 208,155	\$ 260,968	\$ 314,091	\$ 366,439	\$ 421,266	\$ 475,318	\$ 529,681

Dollar amounts represent what would be generated by the transportation weighting.
 Weighting is based on three factors: district cost per student transported compared to state average, percent of enrollment to statewide enrollment and ratio of route miles to number of students enrolled. These generate additional student counts which are then run through the formula.
 Weightings generate revenue funded by a share of state aid and property taxes.

Calculations assume an annual \$20 per pupil increase in the SSA rate

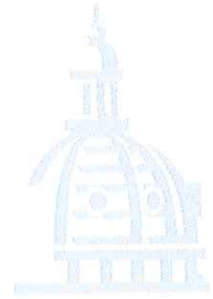
Source Data: Legislative Services Agency



LEGISLATIVE SERVICES AGENCY
Serving the Iowa Legislature

Fiscal Note

Fiscal Services Division



SF 455 – School Equity (LSB1478SV)

Analyst: Jocelyn Gerrietts (Phone: (515)725-2249) (josie.gerrietts@legis.iowa.gov)

Fiscal Note Version – New

Description

Senate File 455 has two divisions, both dealing with the school aid formula. The first division sets out a 10-year plan to bring the district cost per pupil to the same level for every school district across the State. The second division creates a transportation weighting that will roll in to the school aid formula between FY 2018 and FY 2027. Both divisions will be fully implemented in FY 2027.

The first division of the Bill proposes a 10-year plan to adjust each district’s district cost per pupil (DCPP) until it reaches the maximum district cost per pupil. Currently, there is a maximum disparity of \$175 per student between school districts. Under the Bill, in FY 2018, the State cost per pupil will be adjusted by \$5 per student, resulting in a State cost per pupil (SCPP) of \$6,669 per student, and increasing the Property Tax Relief Payment (PTRP) to \$84 per student. In FY 2019, the State supplemental aid rate is assumed to be 0.0%, and the PTRP is fixed at \$84 per student; the State cost per pupil will be adjusted by an additional \$10, bringing the SCPP to \$6,679 per student. Every year after that, \$20 is added to the SCPP until all districts are equalized in FY 2027. **Table 1** below reflects the proposed adjustments.

Table 1
Proposed Adjustment in State Cost Per Pupil

	State Cost Per Pupil (SCPP)	Adjust- ment	District Cost Per Pupil (DCPP) Disparity	Number of Districts at SCPP
FY 2017	\$ 6,591	\$ -	\$ 175	162
FY 2018*	6,664	-	175	162
FY 2018	6,669	5	170	172
FY 2019	6,679	10	160	194
FY 2020	6,699	20	140	227
FY 2021	6,719	20	120	255
FY 2022	6,739	20	100	282
FY 2023	6,759	20	80	295
FY 2024	6,779	20	60	306
FY 2025	6,799	20	40	319
FY 2026	6,819	20	20	321
FY 2027	6,839	20	0	333

Note: Initial FY 2018 SCPP is based on supplemental State aid rate of 1.11%

The second division of the Bill generates a transportation weighting to be included in a school district's weighted enrollment using three factors:

- Transportation cost factor – Created out of a ratio of each school district's transportation cost per student required to be transported under Iowa Code chapter [285](#), as compared to the statewide cost of transportation per student required to be transported under the same Iowa Code chapter (90% weighting).
- Enrollment factor – Created out of the ratio of a school district's enrollment to the statewide enrollment (5% weighting).
- Route miles factor – Created out of the ratio of each school district's route miles for the transportation of students required under Iowa Code chapter [285](#), as compared to the statewide route miles (5% weighting).

These three factors combine to create an additional number of student weightings to be included in the district's weighted enrollment for the purpose of the school aid formula, generating State aid and property tax levying authority. See **Attachment B** for the complete equations for the three factors.

The Bill requires that the transportation cost factor be calculated based on the cost of transporting students required by Iowa Code chapter [285](#), less the costs that are paid by the district out of the Physical Plant and Equipment Levy or SAVE funds. However, the current Annual Transportation Report (ATR), as compiled by the Department of Education each fall for the preceding year, does not include this information. The Department reports that it will have to rewrite the ATR application in order to collect this data, and to incorporate checks to help ensure the accuracy of reporting. The Bill specifies that until FY 2020, the Department of Management may consult with the Legislative Services Agency and the Department of Education to determine modified methodologies to determine the best calculation of the transportation cost factor.

Background

District Cost Per Pupil Equalization

Division I of the Bill deals with the discrepancy between the State cost per pupil and the district cost per pupil within the State school aid formula. When calculating State aid to schools, the cost per pupil and the district's budget enrollment are two of the primary driving factors that affect the total income for schools. In FY 2017, the State cost per pupil was \$6,591 per student, which was used to determine the State aid foundation level (87.5% of the State cost per pupil, or \$5,767), and the PTRP (\$74 per student). The State foundation level is the level of aid the State pays into the cost per pupil after the uniform levy is calculated, which varies by school district depending on their taxable property valuation.

The rest of the State cost per pupil (\$750 per student after the PTRP) is raised through property taxes, often referred to as the second effort. Districts with a higher district cost per pupil have the taxing authority to levy up to an additional \$175 per student, depending on the district's district cost per pupil. This inconsistency is a relic of the origination of the school aid formula, when the State cost per pupil was set at the statewide average of spending per student, bringing all districts below that level up to the statewide average, but not requiring districts spending more to reduce spending per student.

Transportation Weighting

Division II of the Bill deals with the disparity in school district transportation costs across the State by providing calculation-generated student weights to a school district's weighted enrollment. Cost per pupil transported varies significantly between school districts, with some districts spending upward of \$1,000 per enrolled student, while other districts spend as little as

\$40 per student. Most transportation costs are paid out of the district's general fund. This Bill generates transportation cost associated weightings, so that school districts receive more State aid and property tax levying authority to offset the costs to the district's general fund of transporting students.

Assumptions

This model:

- Fixes transportation costs and budget enrollment at the FY 2017 base year and rolls out the current calculated weights at an additional 10.0% each year starting in FY 2018.
- Fixes the PTRP at the FY 2018 level - \$84 per student upon enactment.
- Assumes supplemental state aid is 0.0% for FY 2019 and beyond.
- Assumes no district consolidation.
- Uses transportation weight calculations that assume the increase in the State cost per pupil as laid out in the first division of the Bill.
- Uses transportation weight calculations that assume a direct 10.0% increase in transportation weights, without further adjustments to the calculation of weighting.

Fiscal Impact

Upon enactment of SF 455, the FY 2018 SCPP will be \$6,669 per student, raising the floor of the State cost per pupil by \$5 and lowering the maximum disparity between State cost per pupil and district cost per pupil to \$170 per student. The State aid foundation level will be \$5,835 per student, resulting in the PTRP gaining \$1 from the previously estimated \$83 per student to \$84 per student. Additionally, the \$5 per student that districts over the State cost per pupil were levying for via property taxes will be picked up in State aid and redistributed between State aid and property taxes.

Under this Bill, districts will begin receiving transportation weighting in FY 2018 at 10.0% of the total generated weights, resulting in an estimated 1,901 weights. The amount of the weighting is phased in over 10 years. This will generate an estimated \$12.68 million in funding for schools in the first year, and a total of \$130 million over the 10-year period. Assuming an 87.5% State aid foundation level, and \$84 per weight PTRP, this will increase State aid to schools by an estimated \$11.26 million in the first year with the remaining funds being generated by property taxes. This total includes the increase in the State cost per pupil under the first division of the Bill. Further information is attached. **Attachment A** shows the estimated impact of SF 455 on State aid to schools and local property taxes.

The Department of Education also estimates an additional need of 0.5 FTE (\$52,759) in FY 2018 in order to rewrite the Annual Transportation Report to collect the school district transportation costs data as required under this Bill.

Sources

Department of Management, School Aid file
Department of Education, Annual Transportation
Report LSA analysis and calculations

/s/ Holly M. Lyons

March 6, 2017

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

SF 455 – 10-Year Projection
District Cost Per Pupil Equalization & Transportation Weights

	District Cost Per Pupil			Transportation Weights			New Spending Authority	State Aid Increase (With PTRP)	Property Tax Change	State Aid Increase	State Aid Increase (With PTRP)	Property Tax Change	New Spending Authority	State Aid Increase	Property Tax Change	State Aid Increase	Property Tax Change
	New State Aid	Property Tax Change	New Spending Authority	State Aid Increase (With Preschool)	Weights Generated	State Aid Increase (With PTRP)											
FY 2018	\$ 2,815,730	\$ -1,229,341	\$ 1,586,389	\$ 2,871,818	1,902	\$ 11,258,793	\$ 1,425,805	\$ 12,684,598	\$ 14,130,611	\$ 196,464	FY 2018						
FY 2019	5,088,344	-1,612,583	3,455,761	5,180,519	3,804	11,291,735	1,430,516	12,722,251	16,472,254	-182,067	FY 2019						
Total Change	7,884,074	-2,841,924	5,042,150	8,052,337		22,550,528	2,856,321	25,406,849	30,602,865	14,397	Total Change						
FY 2020	10,136,670	-2,352,850	7,783,820	10,361,020	5,706	11,375,636	1,442,491	12,818,127	21,736,656	-910,359	FY 2020						
Total Change	18,020,744	-5,194,774	12,825,970	18,413,357		33,926,164	4,298,812	38,224,976	52,339,521	-895,962	Total Change						
FY 2021	9,573,518	-1,038,402	8,535,116	9,797,868	7,608	11,441,863	1,451,958	12,893,821	21,239,731	413,556	FY 2021						
Total Change	27,594,262	-6,233,176	21,361,086	28,211,225		45,368,027	5,750,770	51,118,797	73,579,252	-482,406	Total Change						
FY 2022	10,136,664	-695,974	9,440,690	10,136,664	9,510	11,508,434	1,461,468	12,969,902	21,645,098	765,794	FY 2022						
Total Change	37,730,926	-6,928,850	30,802,076	38,347,889		56,876,461	7,212,237	64,088,699	95,224,350	283,387	Total Change						
FY 2023	9,573,533	985,701	10,559,234	9,797,883	11,412	11,575,005	1,470,978	13,045,983	21,372,888	2,466,679	FY 2023						
Total Change	47,304,459	-5,933,149	41,371,310	48,145,772		68,451,466	8,683,215	77,134,681	116,597,238	2,750,066	Total Change						
FY 2024	9,573,524	672,737	10,995,977	10,361,008	13,314	11,408,578	1,447,203	12,855,780	21,769,566	2,119,940	FY 2024						
Total Change	56,877,983	-5,260,412	52,367,287	58,506,780		79,860,044	10,130,418	89,990,462	138,366,823	4,870,006	Total Change						
FY 2025	9,573,524	1,422,453	10,995,977	9,797,874	15,216	11,941,144	1,523,283	13,464,428	21,739,018	2,945,736	FY 2025						
Total Change	66,451,507	-3,837,959	63,363,264	68,304,654		91,801,188	11,653,701	103,454,899	160,105,842	7,815,742	Total Change						
FY 2026	10,136,668	1,037,627	11,174,295	10,361,018	17,118	11,774,717	1,499,508	13,274,225	22,135,735	2,537,135	FY 2026						
Total Change	76,588,175	-2,800,332	74,537,559	78,665,672		103,575,906	13,153,209	116,729,115	182,241,577	10,352,877	Total Change						
FY 2027	9,573,518	1,624,924	11,198,442	9,797,868	19,020	11,841,288	1,509,018	13,350,306	21,639,156	3,133,942	FY 2027						
Total Change	\$ 86,161,693	\$ (1,175,408)	\$ 85,736,001	\$ 88,463,540		\$ 115,417,194	\$ 14,662,228	\$ 130,079,421	\$ 203,860,733	\$ 13,486,820	Total Change						

Note:
Does not account for Budget Adjustment. FY 2018 estimated Budget Adjustment is estimated to decrease by \$708,000, further decreasing total property tax obligation.

SF 455 – Division II
Calculation of Transportation Weighting

Transportation Weighting- FY 2018 Budget Year FY 2017 Base Year

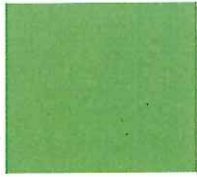
Transportation Cost Weights
 Sum of Transportation Costs A = (Sum(FY 2014, FY 2015, FY 2016) Transportation Costs) - (Sum(FY 2014, FY 2015, FY 2016) Depreciation)
 A = Statewide Sum of A
 A.1 = Most Recent Fiscal Year Transportation Costs

Sum of Regular Program District Costs B = (Sum(FY 2014, FY 2015, FY 2016) Regular Program District Costs)
 Ratio of Transportation Costs to Regular Program Costs A/B = M
 M * Budget enrollment = C

District's Cost Per Student Transported as Compared to Statewide Sum C/C' = D
 D * (.9 * A.1) = E
 Transportation Cost Weights E / SCPP base year = F

Budget Enrollment Weights
 Ratio of Budget Enrollment to State Enrollment Multiplied by 5% of Statewide Sum of Most Recent Year's Transportation Costs [(budget enrollment / Statewide budget enrollment)] * (.05 * A.1) = G
 Budget Enrollment Weights G / SCC by = L

Route Miles Weights
 Ratio of Route Miles by Number of Students in School Route miles / budget enrollment = H
 Ratio of H to Statewide sum of H H/H' = I
 I * (.05 * A.1) = J
 Route Miles Weights J / SCPP base year = K



Notes