

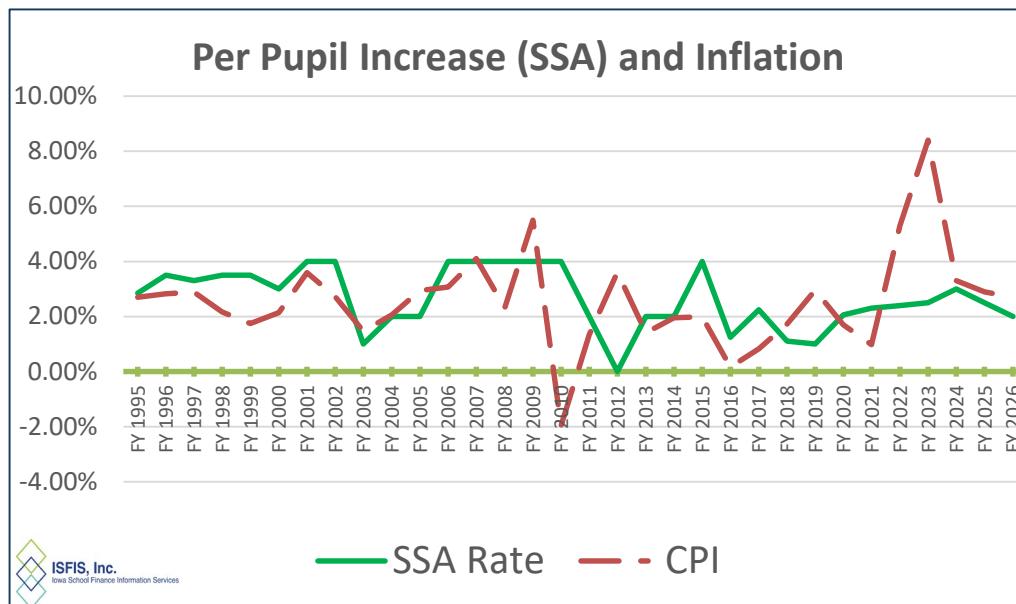
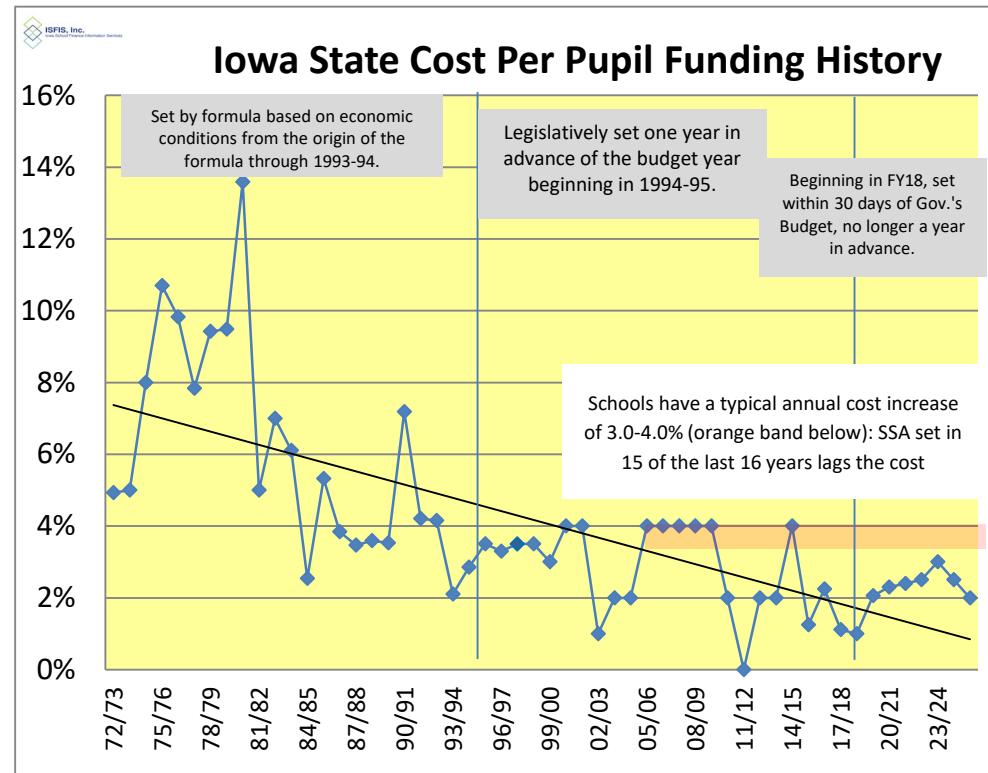


RSAI 2026 Legislative Priority Position Paper: Adequate School Funding

History: This chart shows the percentage increase in Iowa's state cost per pupil, called State Supplemental Assistance (SSA), since 1972. Although never below zero, in 15 of the last 16 years, the increase has been lower than the cost increases schools experience (typically between 3-4% if enrollment is constant).

Inflation: The following chart compares the consumer price index, known as CPI, a benchmark for inflation, to SSA increases since 1995. In the last five years, SSA has been lower than CPI. School districts have lost purchasing power each year since FY 2021. Collective bargaining law also references inflation, as Iowa Code 20 limits arbitrators' bargaining agreements to CPI or 3%, whichever is lower. School districts are in an economic pinch, striving to pay competitive wages to staff, faced with lower purchasing power, and if experiencing enrollment decline, actually facing additional budget cuts.

Current reality: Adequate SSA is an issue of survival for Iowa's rural schools. Annual formula increases have not kept pace with private-sector salaries and benefits or the costs of operating schools and



meeting student needs. Schools are labor-intensive, averaging 80% of General Fund expenditures for staff. Since SSA has lagged income growth in the economy, the Legislature in 2024 resorted to setting new teacher pay minimums and increasing Teacher Salary Supplement (TSS). TSS and other categorical funds also grow by the SSA rate. Had SSA kept pace with the economy over the last decade, teacher pay would have kept pace as well. In essence, low per pupil increases have a staff salary echo. TSS will not deliver teacher competitive wages if SSA lags inflation.

SSA also impacts the weightings, or multipliers, assigned to students with special education needs, English-language learner plans, college credit courses, preschool, and other programs. Growing special education deficits over the last five years are another sign of low SSA, as the services in a students' Individual Education Plans (IEP) are required to be provided. Since special education services depend on expensive equipment, labor-intensive services and costly transportation, expenses exceed formula funding. The deficit is paid from the school district's cash reserve, which is replenished by property taxes.

AEA special education and school improvement resources are also dependent on adequate increases in the per pupil amount. When school costs increase more than funding, program and staff reductions follow. Declining enrollment requires even further reduction. Growing enrollment demands additional staff, textbooks and support. Low SSA compromises both situations.

National School Expenditure Comparisons: from 2023 US Census data, May 2025

- [US Census Data](#) reporting on FY 2023 expenditures shows that Iowa spent \$13,792 per student, compared to the US Average of \$16,526. Iowa's per student expenditures fell short by \$2,734, ranking Iowa 9th out of 12 midwestern states and 34th in the nation. Contrast this recent trend with Iowa's early history when in the 70s, 80s, and 90s, Iowa schools spent more per pupil than the national average on education. [US Census data](#)
- Why does relative spending matter? Other states that spend more either pay staff more (about 80% of the school budget) or provide more staff and programs to meet student needs. Iowa's average teacher pay was \$7,035 behind the national average (sources: Iowa Condition of Education [Report](#) and the [National Education Association Rankings and Estimates](#)). Iowa ranked 38th in beginning teacher pay in 2021 ([Learning Policy Institute](#)). HF 2612 set new teacher pay minimums starting in the Fall of 2024, investing \$73 million in teacher pay. This increase applied to 38,190 Iowa teachers will bump Iowa teacher pay an average of \$1,911, still well below the \$7,035 gap compared to the national average.

Education is a Significant Share of the State's General Fund: Iowa's State contribution to school funding has historically hovered around 42% of the State General Fund budget. Legislators sometimes refer to a larger percentage, but that figure includes postsecondary education (community colleges, universities, tuition grants), as well as other expenses. As the State has taken on a bigger share of the formula, lowering property taxes, the 42% benchmark is no longer indicative of a commensurate increase in resources available for educating students. It is also unknown whether this benchmark will be revised with the addition of hundreds of millions for Education Savings Accounts.

The National Association of School Business Officials Annual [State Expenditure Report](#), however, tells a different story. Iowa spent 18.6% of all funds available to Iowa on Elementary and Secondary Education in FY 2022, but in the most recent [Report](#) for FY 2024, Iowa spent 16.0% of all funds available to Iowa on Elementary and Secondary Education. This ranks Iowa 33rd in the nation in percent of all revenues spent on public schools.

Available Resources: To implement significant income tax cuts, the State General Fund is shrinking, but there is some hope. With declining enrollment statewide, the State's cost of SSA is more affordable. The [Dec. 11 Revenue Estimating Conference](#) set an expected State General Fund growth rate of 4.2% in total net receipts for FY 2027, which signals the end of declining revenues (4.2% would be a good target for the SSA percentage increase). The State has other resources to help through the transition, as detailed in the 2025 end-of-session [General Fund Balance Sheet](#) (e.g., the Taxpayer Trust Fund is estimated to end FY 2026 with \$3.6 billion).

Impact: Efforts to educate students, prepare a qualified workforce, and deliver the excellent educational outcomes to which Iowans are accustomed will be compromised if the basic foundation of school funding is not sustained. There are not enough qualified applicants to fill jobs, generally indicating that the profession of teaching is being outpaced in the marketplace.

Unfunded Mandates and Other Policies: Other State decisions impact expenditures. Restructuring of AEAs in HF 2612 in the 2024 Session is already hitting the bottom line for school districts whose allocation of media and education services funding looks inadequate to provide support received in prior years. This is especially evident in smaller school districts. Necessary expenditures for safety and cyber security, mandated electronic library catalogs or new mandates (e.g., literacy and math screening and individual plans, mandated staff training, IPERS employer increases, and administration of the Civics Test) also redirect funds that paid for teachers and instruction.

Impact on Students: Class sizes are going up. Programs are being eliminated. Districts are offering fewer extracurricular and fine arts opportunities for students, especially in middle school. Nurses, librarians and counselors are shared among buildings. Districts are struggling to retain education support staff and even teachers. Declining enrollment combined with low SSA means reduced staff, fewer programs, stretched services and ultimately, fewer opportunities and choices for students.

RSAI Supports Adequate School Resources:

Adequate School Resources for Public Schools: The increase in SSA provides resources for Iowa schools to deliver an educational experience for students that meets the expectations of Iowa parents, communities, employers and policymakers. Iowa's school foundation formula must maintain balanced state and local resources, be predictable, at least minimally exceed inflation, allow schools to compete for labor, and assure adequate time for budget planning and staffing. The Legislature shall follow the statutory requirement to set SSA within 30 days of the release of the Governor's budget. What schools can deliver is dependent on the level of funding provided, which begins with the 2026-27 school year and requires a consistent and sustainable commitment.



RSAI 2026 Legislative Priority: Property Tax Reform

Background and History:

When created in the 1970s, the school foundation formula established a mechanism to generate school funding based on enrollment, with an expenditure limitation on regular program district costs, which were funded by a combination of property taxes and state foundation aid. The formula is the primary driver of school property taxes, although there are a few board-directed levies (Board PPEL, Dropout Prevention, Cash Reserve and Management Fund) and a few voter-approved levies or levies subject to petition (Voter PPEL, Debt Levy for Bond Issues, Instructional Support Levy, and the Public Education and Recreation Levy). Voters must also approve school districts' expenditure plans for sales tax revenue from the SAVE Fund, through a Revenue Purpose Statement (RPS) ballot initiative. School infrastructure, technology, transportation and other equipment, safety and/or property tax relief are all allowable expenditures. If a Revenue Purpose Statement is not approved by voters, the SAVE funds must first be used to lower Debt, Board PPEL, Voter PPEL, and PERL property taxes before any can be spent.

Current Situation:

For several years, legislators have been working on property tax overhaul legislation impacting all local governments to reduce growth in property taxes, to provide transparency for taxpayers, and provide property tax relief. School district property taxes already face several caps or limitations:

- School district general funds are budget-limited rather than property tax rate-limited – the general fund property tax rate is a function of the formula.
- Additional cash reserve levies are prohibited if the district has more than 20% of prior year expenditures in cash balances.
- Management fund balances can only be spent on a limited number of purposes (property, casualty, loss insurance, including premiums and deductibles, workers' compensation, local government risk pools, early retirement programs, etc.).
- Other levies are bound by voter approval.
- Typically, if the valuation in a district goes up while enrollment drops, property tax rates generally fall.
- The school budget proposal requires two public hearings, during which taxpayers and constituents may address the school board or submit written comments expressing concerns or appreciation about the upcoming budget proposal.

Other Limitations on School Property Taxes: In addition to the formula budget limits, the cash reserve ceiling, and voter approval for the SAVE revenue purpose statement, and other voter-approved levies that must be reauthorized when they expire, there are other taxpayer safeguards in the system:

- Taxpayers also have the authority under Iowa Code §24.27 to contest a school district's budget, including their management levy, by petitioning the county auditor, who prepares a report and submits it to the State Appeal Board. The burden of proof is on the School District to justify its property tax levies and budget as reasonable.
- School board elections in November of every odd-numbered year provide voters with the opportunity to challenge board members, if they believe the tax rate is higher than it should be to provide resources to educate the children in the district.

Interconnectedness of School Funding and Property Taxes:

There is a significant impact on property taxes, both up and down, when the Legislature sets the State Cost per Pupil annually. Higher SSA impacts property taxes because certain funds are based on the district's enrollment multiplied by the state cost per pupil (this calculation is known as the Regular Program District Cost, or RPDC). **Some examples:**

- **Dropout Prevention** is funded with property taxes at somewhere between 2.5% and 5% of RPDC.
- **Instructional Support Levy** is determined by board resolution, subject to reverse referendum or by voters, at an amount up to 10% RPDC. Some districts use an income surtax to offset property taxes. No district generates the full amount authorized, since the state share of funding, mandated at 25%, has been set at zero since 2011.
- **Budget Guarantee:** Higher SSA also lowers property taxes, by sparing more districts and taxpayers the budget guarantee property tax burden if enrollment declines more than the SSA rate increases.
- **Special education and English-learner programs** mandated by federal law, but not fully funded by the formula weightings assigned to each student, create a special education or EL deficit. School districts request spending authority (known as MSA, or modified supplemental amount) from the School Budget Review Committee to reimburse those deficit expenditures from the prior year. As SSA increases have been less than the costs of providing these mandated programs (and below inflation) for five consecutive years, these deficits have continued to grow.

Lower SSA = Higher Property Taxes: Some examples

- **Cash Reserve Property Taxes:** as Special education & English-learner deficits are higher when the formula generates less funding per student based on their assigned weighting, districts must use additional cash reserve to fund the authorized SBRC reimbursement.
- **Budget Guarantee** – let's see how much BG.
- **Funding UAB** (Unspent Authorized Budget, also known as carry-forward spending authority). Statewide, cash reserves total 11% less than total accumulated UAB. Property taxes would have to raise more cash, however, since many districts with little or no UAB have cash balances.

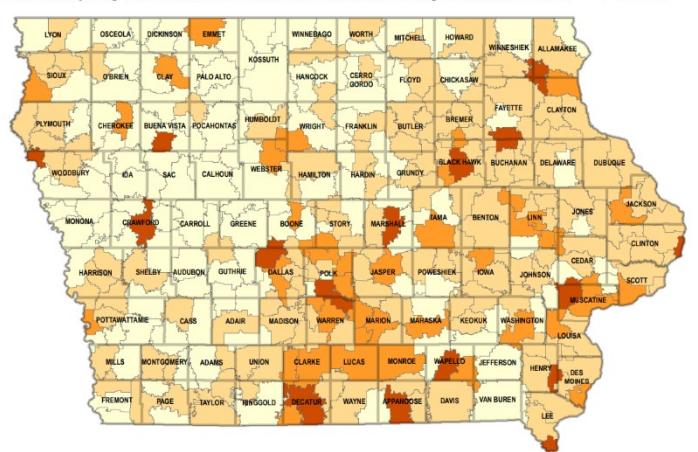
School Property Tax Levy Changes Since 2014:

This [LSA map](#) shows the resulting property tax rate reduction from several programs, totaling \$186.2 million in FY 2025. *The five highest total school tax rates in the state in FY 2014 ranged from \$20.63 to \$23.05. By FY 2025, the highest five ranged from \$18.70 to \$19.11.*

Three programs have delivered \$186.2 M in property tax relief, an average of \$0.74 per \$1,000, in FY 2025:

- 1) Property Tax Adjustment Aid since 1992. 85% of districts, total \$6.4M
- 2) Adjusted Additional Property Tax Levy Aid to property-poor districts with high additional levies. \$24 M GF appropriation plus 6.1% of SAVE funds. \$53M to 35% of districts.
- 3) Property Tax Replacement Payment, the state assumes the total cost of SSA increases since FY 2014. \$127M in FY 2025, and all districts receive this property tax relief.

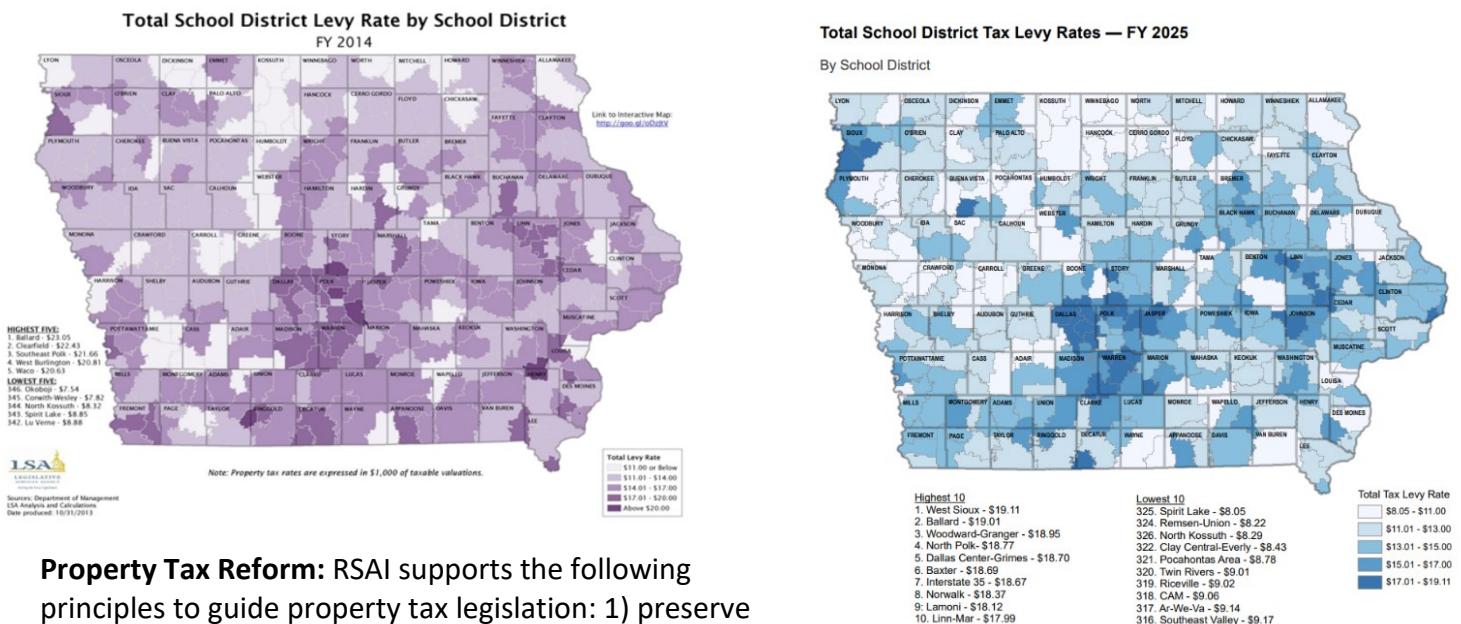
Total Property Tax Relief Aid and Rate Reduction by School District — FY 2025



Total Rate Reduction
Per \$1,000 of Valuation

White	No Rate Reduction
Light Yellow	\$0.13 - \$0.50
Medium Yellow	\$0.51 - \$1.00
Orange	\$1.01 - \$2.00
Dark Red	\$2.01 - \$3.89

Two LSA maps show the total school property tax rate for FY 2014 ([on the left](#)) and FY 2025 ([on the right](#)).



Property Tax Reform: RSAI supports the following principles to guide property tax legislation: 1) preserve state general fund capacity to adequately fund Iowans' priorities including a quality public education for all children, 2) retain local school board and voter authority to fund infrastructure, technology and school safety via PPEL, SAVE and Debt levies, 3) provide local school board authority to continue pre-reform voter-approved amounts (levies and total dollars anticipated) through transition periods, and 4) move toward a more transparent system. Require clear and simple property tax statements, remove rollbacks and provide clearly understood property valuations and TIF impacts on taxpayers.

The Tax Foundation's Study, "Securing Property Tax Relief in Iowa," 2025, supports some of Iowa's proposed legislation to limit levies rather than assessments, phase-out of existing rollbacks, excluding new property in calculating limits on the new mill levy, and incorporating voter overrides from the 2023 reforms. These experts also advise Iowa to:

1. incorporate inflation into the levy limit (not a fixed 2% growth limit, for example),
2. tie future limitations to legal taxing authority maximums and not to actual tax revenue, " levy limits should neither force nor inhibit lower taxes by local governments", and
3. future limits should be recession proof (tie to a baseline rather than a lower valuation if property values fall).

RSAI opposes any limitation or restriction on the management fund, since costs associated with risk management in the future are unpredictable. If taxpayers are concerned locally, they can elect new school board members. Taxpayers also have the authority under Iowa Code §24.27 to contest a school district's budget, including their management levy, by petitioning the county auditor, who prepares a report and submits it to the State Appeal Board.

See the RSAI Position Paper Regarding debt levies and bond issues found on RSAI's 2026 Legislative Webpage here: [Bond Issue Dates Position Paper](#).



RSAI 2026 Legislative Priority: Bond Issue Dates

Background and History:

School bond elections require a higher bar of approval. A 60% supermajority of votes must support it, compared to a 50% +1 simple majority needed for most other special election ballot initiatives. School boards had more flexibility in setting election dates prior to July 1, 2023.

Iowa law requires two thresholds of property tax levy. Both must be approved by voters for a school bond ballot initiative: 1) \$2.70 per \$1,000 net assessed taxable value, and 2) \$4.05 per \$1,000 net assessed taxable value. If districts require a tax rate above \$2.70 to pay for bonded debt, voters must approve two questions on the ballot, one for each threshold. This now may require two distinct election dates.

The following two bills dramatically altered how and when Iowans vote on a school bond ballot initiative:

- **HF 2620 Election Changes**, 2008 Session, moved school board elections to November, coinciding with city and county elections. The bill limited the number of special election dates for bond issues.
- **HF 718 Property Tax Reform**, 2013 Session, restricted elections with debt issuance to the first Tuesday following the first Monday of November (either during the city, county, school board election or during the General Election). However, HF 718 only moved the first vote to the General Election, requiring districts needing to exceed the \$2.70 threshold to have two elections.

Current Situation:

Legislative Correction Is Needed for Bond Levy Thresholds (should not require two separate elections):

HF 718 required a bond election be held on the second Tuesday in November, but only applied to the first threshold, up to \$2.70 per \$1,000. Schools are still required to have a second vote for the threshold levy rate higher than \$2.70 up to \$4.05, because Iowa Code [298.18](#) (1) (d) requires that particular question be on one of the special election dates, but explicitly excludes the General Election. Requiring two elections for one ballot initiative increases election costs and contributes to voter approval delays, ultimately increasing the cost of school infrastructure projects. Once approved, property taxes for those projects are likely even higher.

Other Bond Election Requirements That Have Negative Consequences:

Restricting school bond votes to the November General Election led to a lower approval rate for school bonds. In Nov. 2025, 33 (76.7%) successfully attained a 50% simple majority, but only 18 (41.9%) exceeded the 60% supermajority threshold. In addition to delays increasing the cost of projects, the restriction to only one election date in Iowa bids up the cost of infrastructure projects even further. Competition

Election Date	# of Bond Elections	# Passed	% Passed	# Between 50-60%
Nov. 2025*	43	18	41.9	15
Nov. 2024 (General Election)	33	13	39.4	15
Nov. 2023*	35	16	45.7	10
Mar. 2023	16	9	56.3	3
Sept. 2022	14	8	57.1	?
Mar. 2022	11	6	54.5	?
Nov. 2021*	8	4	50.0	3
Sept. 2021	13	6	46.2	1
Mar. 2021	8	7	87.5	1

*School Board/City/County Elections

for every part of construction, from bid to inspection, occurs all at once due to a cluster of new bond issues,

rather than being spread throughout the year. This increased demand for vendors and support (from architects to construction companies to inspectors) drives up prices.

Iowa is an Outlier Compared to Most States:

According to [Ballotpedia](#), there are seven other states (AL, KY, MO, OK, SD, WA and WV) with more than a simple majority required. Kentucky requires a 67% supermajority, and Missouri requires 57% for a bond issue or 67% to exceed the district's debt ceiling. All 42 other states either require a 50% simple majority to approve bond issues or use another process, such as state Department of Education approval. Both New York and New Jersey generally have a simple majority requirement, but voters may approve a bond in excess of the district's debt limit with 3/5ths approval.

Requiring a supermajority of voters to approve the bond, 60% + 1, delays and increases costs for school infrastructure projects. Although this practice is likely a hangover from days long ago when only property owners had voting rights, there are contemporary reasons to oppose the higher threshold.

- **Minority Rule:** Supermajority requirements allow a minority of voters (less than 40%) to block proposals supported by a majority. This can undermine the principle of majority rule, which is fundamental to democratic decision-making.
- **Barrier to Necessary Investments:** Critical infrastructure projects, such as school improvements, may fail despite community support because of the higher vote threshold. This can delay or prevent necessary investments in public services, potentially harming students and the community. Construction of new, energy-efficient and right-sized attendance centers helps districts balance their general fund budgets with declining enrollment. Delay in right-sizing facilities negatively impacts staffing and program decisions.
- **Disproportionate Influence:** Special-interest groups or individuals opposed to a measure can exert disproportionate influence, requiring only a smaller share of the vote to block the initiative. This can lead to gridlock and hinder progress.
- **Higher Costs Over Time:** Delayed bond approvals can lead to increased costs due to construction cost inflation, higher interest rates, or emergency repairs that might have been avoided with proactive investment. Higher Costs mean higher property tax rates in the future.
- **Equity Concerns:** Communities with greater economic disparities may struggle to reach a supermajority consensus, even for projects that address inequities in public education or infrastructure.
- **Redundancy of Oversight Mechanisms:** Fiscal accountability is already achieved through other means, such as limitations of debt capacity, audits, oversight committees, and restriction of election dates, without the need for a supermajority vote.

Property Tax Reform re School Bond Elections: The restriction of bond elections to one annual date spikes the demand for providers, architects, bonders, and construction labor, while extending the time of completion, all increasing costs to taxpayers. Bond issues should be approved by a simple majority of voters (50% +1), rather than a super majority (60% +1), school districts should be given options of multiple election dates yearly, and only one vote should be required regardless of the levy amount, up to the \$4.05 maximum levy.



RSAI 2026 Legislative Priority: Rural School Staff Shortage and Educator Quality

Background: Although rural Iowa schools have excellent teachers dedicated to student success, it is still difficult to attract and retain great teachers, in addition to school employees in many different job roles.

Official Shortages: The Iowa Department of Education compiles a list of areas with staff shortages annually. The list of Teacher Shortage Areas by Endorsement Title for 2025-26 is posted on DE's website: <https://educate.iowa.gov/pk-12/educator-quality/practitioner-preparation/teacher-shortage-areas>

The top 10 shortage area position titles for 2025-26, comprised of 50 separate teaching endorsement credentials, are: 1) Special Education – All Exceptionalities, 2) General Science, 3) English Language Arts, 4) Mathematics, 5) Music, 6) Elementary Education, 7) World Languages, 8) English as a Second Language, 9) Art, and 10) Industrial Technology. The remaining 18 shortage area titles, comprised of an additional 43 separate teaching endorsement credentials, include some positions that have been short for a long time (e.g., biology, physics, chemistry, business, family and consumer science, world languages, school nurses and counselors) but others may be more surprising (e.g., physical education, reading, social sciences, early childhood, career and technical education and computer science).

The School Administrators of Iowa (SAI) conducted a detailed survey of staff shortages in August 2023. With 78% of districts responding, they estimated nearly 1,500 vacant or not appropriately filled positions as school started. See the [SAI Staff Shortage 2023 Flyer](#).

Conditions have improved in the last two years. According to the [DE in September 2025](#), Iowa schools filled over 98% of vacancies in the last school year. That state average is a good number compared to the rest of the nation; however, there are many districts, 42 (mostly rural), still experiencing over 5% (or even more than 10%) of vacancies unfilled. During this same time, with low per pupil funding increases, many districts have intentionally not replaced retirements with new positions in order to balance budgets or provide online learning options when unable to recruit a teacher. These solutions are not officially recognized as vacancies, but can negatively impact school systems and students. Additionally, almost all districts in Iowa are struggling to find bus drivers, paraprofessionals, office staff, and food service workers. The Future Ready Workforce list of High-Demand Jobs includes educators.

Impact:

When there are shortages, few and sometimes no qualified candidates apply to fill vacant and mandated positions. Existing teaching and administrative staff carry the load, sometimes teaching in areas under conditional licensure, creating larger class sizes or dropping course offerings when positions are unfilled.

Although competition is fierce in both public and private schools, other non-school private-sector competition is also compelling. Iowa's employers are looking for a strong work ethic, communication skills, and the ability to get to work on time. They can often pay employees with similar qualifications more. Iowa was facing a teacher shortage before 2020, which was amplified by the pandemic due to early retirements, increased absences and fewer substitutes. Even five years beyond COVID, the shortage continues.

Teacher Shortage Data:

Data comparing Iowa teacher pay with the rest of the nation, to show the impact of teacher pay minimums enacted in 2024 and 2025 Sessions, will not be available for a few years. Although this significant investment

will help, especially in rural Iowa, other states also invest in teacher pay to address a national shortage. The following is the latest data currently available:

The gap between Iowa's Average Teacher Salary and the National Average grew, as reported in the 2024 [Iowa Condition of Education Report](#):

"Iowa's average regular teacher salary increased slightly to \$62,360 in 2023-24 compared to \$61,162 in 2022-23.

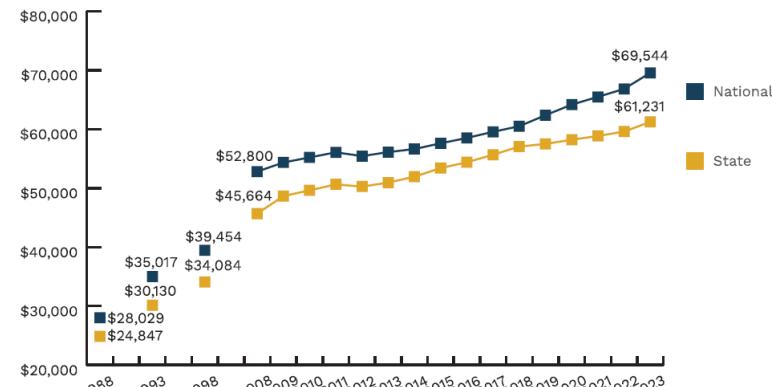
Iowa's average public-school teacher salary decreased in national rankings to 28th in the 2023-24 school year, down from 27th in the 2023-24 school year".

The Report also provides comparison data for teacher salaries in the Midwest: Iowa's ranking maintained its place at 6th in the 2022-24 school year compared to other Midwest states as Iowa was also ranked 6th in the prior two school years.

Please note: the national rankings are typically available one year after the state data is available.

Geography matters. With Iowa's neighbors, IL and MN ranking 1st and 2nd and WI ranking 5th in the Midwest, school districts on those borders must compete with significantly higher compensation for just a short commute.

Figure 5-10: Average Salaries of Public School Teachers for Iowa and the Nation, 1987-88, 1992-93, 1997-98 and 2007-08 to 2022-23



Source: National Education Association, Rankings and Estimates of School Statistics.

Table 5-17: Average Salaries of Public School Teachers for Iowa, Midwest States and the Nation, 2021-22 and 2022-23

Nation and State	2021-22			2022-23		
	Salary	National Rank	Midwest Rank	Salary	National Rank	Midwest Rank
Nation	\$66,805			\$69,544		
Illinois	\$72,315	12	1	\$73,916	12	1
Indiana	\$54,625	39	10	\$57,015	36	8
Iowa	\$59,581	27	6	\$61,231	28	6
Kansas	\$55,250	35	9	\$56,481	39	10
Michigan	\$64,884	17	3	\$67,011	17	3
Minnesota	\$67,600	14	2	\$70,005	15	2
Missouri	\$52,481	47	11	\$53,999	47	11
Nebraska	\$57,420	31	7	\$58,763	34	7
North Dakota	\$54,364	33	8	\$56,792	37	9
Ohio	\$64,353	18	4	\$66,390	19	4
South Dakota	\$50,592	49	12	\$53,153	49	12
Wisconsin	\$60,724	24	5	\$62,524	25	5

Source: National Education Association, Rankings and Estimates of School Statistics.

Relationship to School Funding/Per Pupil Funding Gap: Iowa's investment in education is determined based on a per pupil increase set annually by the Legislature. Although never below zero in 15 of the last 16 years, the per pupil increase has been lower than the cost increases schools experience. Since schools spend an average of 80% of general fund budgets on staff, it's no surprise Iowa is not keeping up. [US Census Data](#) reporting on FY 2023 expenditures shows that Iowa spent \$13,792 per student, compared to the US Average of \$16,526. Iowa's per student expenditures fell short by \$2,734, ranking Iowa 9th out of 12 midwestern states and 34th in the nation. About every decade, as Iowa has fallen behind, the State has turned to higher teacher pay minimums funded now through Teacher Salary Supplement (TSS) categorical funding, to make up ground. If per pupil funding increases do not keep up with inflation or other states' investments in education, Iowa's teacher pay ranking among the states will not rebound as high as anticipated during the 2024 Session action.

Rural school leaders are concerned that the gap continues to widen. Successive years with low increases in per pupil funding have prevented districts from increasing compensation for teachers and staff sufficient to keep up with the economy or pressures from other states also experiencing a teacher shortage, but investing more.

Current Reality: The qualified worker challenge impacts all schools in Iowa:

- Some rural schools have been able to help a willing and capable teacher obtain certification in a shortage area of content, but the rules limit provisional licensure status to two years. Access to fewer colleges and universities within a short distance adds to this burden. Tuition and the costs of coursework may be unaffordable for lower-paid rural teachers and nearly unattainable for new teachers, given the level of starting pay in a rural area and ongoing college loan payments. RSAI was excited to participate in Gov. Reynolds' Teacher and Paraeducator Registered Apprenticeship Program, with a consortium of over 30 school districts accessing federal pandemic funds to help participants become certificated or degreed over 2-3 years through paid internships as paraeducators, developing teaching skills on the job as an apprentice. TPRA dedicated \$45 million statewide over three years, but concluded on Dec. 31, 2025. Additional state appropriations or another funding source may be necessary to keep this program going. Other teacher-intern models would be helpful, but must include student teaching and ongoing mentoring and support to provide new teachers with the practicum experience they need.
- New teacher-pay minimums: now \$50K for new to 11-year teachers and \$62K for 12+ years of teaching, enacted by HF 2612 in 2024. Funding to initiate the program was formula-driven based on DE data. Some districts are struggling with enough funding to meet the new minimums and also address salary "compaction", which is a term describing when there is no salary increase for several years for an employee (e.g., all teachers in some schools make \$50K whether they have 1 or 11 years of experience). If done right, this program should encourage more college students to go into education and may attract teachers from other states. Iowa's average teacher pay was \$7,035 behind the national average. HF 2612 invested \$73 million in teacher pay for the 2024-25 school year. Although that is progress, the increase applied to 38,190 Iowa teachers will increase Iowa teacher pay an average of \$1,911, well below the \$7,035 salary gap compared to the national average (sources: Iowa Condition of Education [Report](#) and the [National Education Association Rankings and Estimates](#)).
- Licensure and Loan Forgiveness: Since January 1, 2022, educators new to Iowa can receive licensure reciprocity for a valid teaching, administrator or coaching license from any other state. Competitive pay and benefits help districts compete with other states also vying for qualified staff. Additional authority and a funding stream for recruitment programs, such as loan forgiveness, are critical to help address the teacher shortage.
- Recent changes to IPERS: a retired teacher may return to the classroom without impacting retirement income with a shortened bona fide retirement period of one month through 2027. Both are showing some promise. In 2025, the legislature enacted a minimum salary for returning retirees of \$55,000, which is the maximum income one can earn before negatively impacting IPERS income.

Staff Shortages: In both the short and long term, RSAI supports policies based on trust that champion teaching as a valued profession and improve compensation and benefits for educators. Iowans, especially our state leaders, must foster respect for the education profession, which is well deserved, to attract more Iowans into teaching and retain more teachers in Iowa.

In addition to sufficient SSA and supportive messages, strategies to rebuild Iowa's education workforce must address these areas during a continuing staff shortage:

- **Candidate Pool:** dwindling for high needs areas (especially special education, CTE, fine arts, math and science, most secondary areas), fewer applicants, concerns about quality of candidates, difficulty in obtaining the right credentials (for example, work-based learning coordinator), and specific content areas that are challenging to nearly all rural districts.
- **Recruitment:** to rebuild the pipeline of interest into education, schools need additional flexibility and resources to provide hiring incentives, ongoing investment in CTE and internship programs for high school students to build skill and experience in education fields, resources for grow-your-own educators, tuition assistance and pay for student teaching, and resources to offset student loans. The Governor and Legislature should sustain and simplify successful programs like the Teacher and Paraeducator Registered Apprenticeship Grant Program, TPRA, funded initially by state pandemic funds.
- **Retention:** to slow the out-migration of staff from schools to other professions or retirement, school districts need maximum flexibility such as use of the Management Fund for recruitment and retention incentives, flexibility to meet offer and teach requirements, opportunities for teaching expanded courses within existing and/or competency-based licensure, social studies and other content generalist credentials, a shorter bona fide retirement period for schools to rehire all retired employee categories (such as bus drivers, coaches, paraeducators and others), increased state funding for teacher salary supplement to avoid salary compaction, and maintaining resources for mentoring, training and supporting staff.
- **Competitive and Adequate Compensation:** school funding primarily pays for quality staff and employees to provide a great education for students. State investment in higher teacher pay minimums is a great start, but must grow to keep up with other states and the Iowa economy. If funding is not sufficient, mandated minimums further stress the ability of school districts to adequately pay teachers between or above the minimums and nonteaching staff. Inadequate funding through Teacher Salary Supplement (TSS) has created salary compaction issues. School leaders are concerned about inequities of funding when not sufficient for all schools to pay staff. The Legislature is encouraged to provide resources to address salary compaction and hourly pay shortfalls, while minimizing per pupil inequities in the formula.



2026 Legislative Priority Position Paper: Preschool

Background: Iowa's Statewide Voluntary Preschool Program (SVPP), started in 2007, grew to serve 25,330 four-year-olds by 2019-20. Enrollment dropped by 2,453 students during COVID, but has since rebounded, now funding 24,311 students in 2023-24 school year (DE [SVPP Fact Sheet](#) Winter 2025). In addition to the SVPP, public school preschools serve an additional 5,104 students with other funding sources. Although Iowa ranks 5th in the nation in 4-year-old access to PK, there are still over 4,000 fewer PK students than first graders, leaving 12% of children out of quality PK. Reading proficiently by the end of 3rd grade is critical. Quality PK helps students reach this State goal.

Why does preschool matter? Sarah Daily, *Initiatives from Preschool to Third Grade: A Policymaker's Guide*, shows that quality PK prevents costly outcomes. (Denver, CO: Education Commission of the States, October 2014). The [National Conference of State Legislatures](#) quotes studies on long-term ROI: another study shows improved behavior and social skills. The *Journal of Research in Childhood Education*, [The Long Term Benefits](#), 2017, demonstrates for low-income students in quality PK compared to peers without it, the PK group had fewer behavior issues, referrals, better attendance, initially more special education in kindergarten (identified earlier) but less special education services by 4th grade than the control group.

The Perry Preschool Project documents \$17 savings for every dollar invested. The majority of states now view access to high-quality PK programs as a critical long-term economic investment in future workforce. Education Commission of the States, Oct. 2014:

<http://www.ecs.org/docs/early-learning-primer.pdf> *Six rigorous, long-term evaluation studies have found that children who participated in high-quality preschool programs were:*

- *25% less likely to drop out of school.*
- *40% less likely to become a teen parent.*
- *50% less likely to be placed in special education.*
- *60% less likely to never attend college.*
- *70% less likely to be arrested for a violent crime.*

Labor Market Benefit: In addition to fostering student success, full-day PK significantly contributes to increasing labor market participation. Although preschool, with certified teachers and a rigorous curriculum, is not child care, both similarly improve labor participation of young parents. When children have a safe place to be, parents work more, miss less work, and increase productivity. Iowa has a child care shortage. Four-year-olds in child care who could experience full-day PK would free up a child care slot for another child. In "[Child care and parent labor force participation: a review of the research literature](#)", the study shares empirical evidence from a free universal PK program implemented in Washington, D.C.; "the percentage of mothers with young children participating in the labor force increased by 12 percentage points—10 of which were attributable to universal preschool." Another [study of the D.C. program](#) concludes: "Using

both a synthetic control method and a difference-in-differences analysis, this study finds increases in maternal labor force participation are strongly linked to the district's implementation of universal preschool."

Barriers to Expansion. SVPP funding is paid entirely with state funds, based on the prior year's enrollment count. Unlike funding for K-12 budgets, there is no adjustment for enrollment growth (on-time funding modified supplemental amount.) Hold harmless budget provisions and programs to support early literacy are more important than ever in supporting Iowa's youngest students. Short of transferring a few unexpended categorical funds into the flexibility account, districts are prohibited from using general fund dollars to pay for PK expenses, leaving parent pay or grant funding as the only remaining options. For non-English-speaking families, PK is critical, but the 0.5 weighting is not enough to cover the costs of translators, staff and materials, let alone the full-day program to jump-start early language development. Transportation is also a barrier; half-day PK requires funding for additional routes. The DE's SVPP Fact Sheet also shows that Iowa ranks 39th in state spending on access to PK. With other states providing full day programming, especially for students with additional needs, it is no surprise that they are spending more. Iowa should be providing for these students, too.

Workforce and Childcare: Full-day preschool with a 1.0 weighting for lower-income and non-English-speaking 4-year-olds is a win-win-win: 1) a win for students with improved outcomes, 2) a win for the business community with increased labor participation and improved childcare access, and 3) a win for taxpayers as students with quality PK are 50% less likely to experience long-term special education costs typically borne by property taxpayers. Quality preschool is an excellent example of the maxim, an ounce of prevention is worth a pound of cure.

Quality Preschool: Funding for quality statewide voluntary preschool for three- and four-year-olds should be set at the 1.0 per pupil cost for full-time, or prorated proportionally. The formula should include PK protections against budget and program impacts of preschool enrollment swings similar to K-12. Districts need access to resources to cover start-up costs for expanding enrollment or increasing the number of sections. Local districts should have the authority to determine what level or combination of programming is best for their community based on student needs and staff and facility capacity.

Full-day programming increases the opportunity for parent workforce participation, allows Iowa's limited childcare workforce capacity to focus on younger children, prevents later special education consequences, improves literacy and prepares students for learning. Although all students benefit from quality preschool, Iowa's low-income and non-English speaking students face barriers to half-day programs, making them even more at risk of lower long-term achievement.

Additionally, if parents of a 5-year-old would prefer their student to delay kindergarten, and there is no transitional kindergarten option in their district, they should be allowed to enroll their student in PK, and that student should be counted for funding purposes.



2026 Legislative Priority Position Paper: Local School Board Authority/District Flexibility/Home Rule

Background and History: American democracy is built on the assumption that local leaders, closest to students and communities, will make the best decisions for their communities. This is in contrast to Dillon's Rule, a court case from the 1800s, which held that schools can do only what is expressly authorized by state law. Iowa cities and counties were granted Home Rule by constitutional amendments decades ago. Those amendments excluded taxing authority, which remains heavily regulated by the State. Background on the change to Home Rule for Iowa is found in the Legislative Guide to Iowa Local Government Initiative and Referendum, LSA, December 2008, found [here](#).

[HF 573](#) granted statutory Home Rule to schools during the 2017 Session. Home Rule does not eliminate any current laws, but grants clearer flexibility in the areas not written. School districts are still required to follow laws that compel actions and avoid actions prohibited in law.

Flexibility Provides a Good Result without Irreparable Harm

- School districts are called upon to deliver results but often cannot exercise local authority to implement new practices, update processes, or think creatively. Professor Richard Briffault, Columbia Law School, in a presentation to the Kennedy School of Government, Harvard University, Oct. 2003, explains why local control is necessary for school governance: "To be sure, greater state standard-setting, oversight, and interventions in cases of poor local performance have been accompanied in some states with measures giving local school boards greater operational discretion in achieving state educational goals. States may conclude that their purposes may be better attained by a degree of school district home rule rather than by state-directed micro-management of school operations."
- If a school takes an unacceptable action under Home Rule, the legislature may later prohibit it.

Local Control Furthers Democracy: Alexander Hamilton explained the democratic value of local control: "It is a known fact in human nature that its affections are commonly weak in proportion to the distance or diffusiveness of the object. Upon the same principle that a man is more attached to his family than to his neighborhood, to his neighborhood than to the community at large, the people of each State would be apt to feel a stronger bias towards their local governments than towards the government of the Union; ["Federalist, no. 17 Federal v. Consolidated"](#), Dec. 5, 1787.

A more contemporary publication, Principles of Home Rule for the 21st Century, the National League of Cities in 2020 explains Hamilton's point; "At the heart of the concept of local democratic self-government is the accountability of local officials to the local community that results from local popular election of local lawmakers. Local election distinguishes local self-government from rule by state appointees, or from control by an electorate outside the locality." <https://www.nlc.org/wp-content/uploads/2020/02/Home-Rule-Principles-ReportWEB-2-1.pdf>

Local School Board Authority: locally elected leaders closest to the community are in the best position to determine the interests of students, staff, district and stakeholders. District leaders need maximum flexibility to provide a great education to all students. The Legislature, the Executive Branch and the courts should follow Iowa Code 274.3 and liberally construe laws and regulations in deference to local control.

Generic Costs of Unfunded Mandates Associated with Legislation:

- A mandated public hearing has a publication cost associated with the notice and the minutes.
- Mandated reporting has an administrative cost (compiling data, reporting data, oversight of reporting).
- Mandated procedures require a change of policies/procedures at the local level and training staff accordingly.
- New education standards generate local investment in curriculum, materials, training and appropriately credentialled staff.
- Course expansion, such as CTE, computer coding or civics results either in staff costs for the school itself or tuition charges paid to a community college or other sharing partner. Plus curriculum, materials, textbooks or software, etc.
- Expanded testing for students has a cost of staff time (time to administer the test, check the results, report the results and study future instruction based on the results) and also, the opportunity cost of time not spent on other content or instruction.
- Additional administration is required every time new reporting or compliance requirements are added to the school district's plate.

Recent Examples of Legislative and Executive Restrictions:

2025

SF 647 Education Appropriations: requires DE to provide reading assessments for PK-6 grade to school districts and allows DE to charge school districts for the assessments.

SF 659 Standings Appropriations: requires DHHS to investigate allegations of student abuse by school employees. Requires the district to place the employee on administrative leave (incurs costs of substitutes) for the length of the investigation, regardless of the severity of allegations.

HF 784 State Math Initiative: requires districts to screen all students in K-6 at least 3X yearly, and for students identified as at-risk (not meeting grade level for two consecutive tests), the district must create individual math plans and provide interventions, meet with parents to develop the plan, provide mandated small-group instruction, and provide intensive interventions if not making sufficient progress.

HF 316 Career Education: requires districts to update middle school (grades 5-6 and 7-8) content to include career investigation, career connections and career intensions content in order to fully utilize the 8th grade individual career and academic plan (also an unfunded mandate from years ago). Requires districts to report when students attain an industry-recognized credential and affix a state seal to transcripts or diplomas.

HF 706 Open Meeting and Public Records Training: mandates training for newly elected or appointed public officials (may impact School Improvement Advisory Committee volunteers and Teacher Quality Committees since both are statutory committees.)

HF 782 Electronic Device Restriction During Instructional Time: Requires board policy to restrict student use of cell phones and other instructional devices. Requires staff training, some materials in securing devices, update of emergency preparedness plan, updated or addendum to student and staff handbooks.

SF 369 Civics Test for Graduation: requires students to pass the INS test in order to graduate. Sets the threshold at 60% of questions must be answered correctly. Requires DE to develop the test, including all of the questions on the INS test and to update it after the general election by Jan. 31. Allows school districts to modify the test for students with IEPs or non-English-speaking students. Requires the district to administer the test in written or electronic format, but provides no funding for either, or for scoring the test or for

providing additional study sessions or opportunities for students to take the test.

HF 835 Seizure Disorder Training: requires school districts to provide training to all school personnel on how to recognize the signs and symptoms of seizure and how to provide appropriate seizure first aid every two years. Defines personnel as teachers, principals, guidance counselors, bus drivers, paraprofessionals and other relevant employees who have direct contact with and supervise students.

SF 175 Pregnancy and Fetal Development Curriculum: Requires school districts to incorporate new content into human growth and development and health curricula for students in grades 5-12 and specifies content in health standards. Requires curriculum and materials purchase and staff training.

2024

HF 2487 Investigations: Mandate that a school board/district complete an investigation of employee misconduct if an employee without a license is no longer working for the school district.

HF 2545 Core Curriculum, Social Studies and Statewide Literacy Plan: expanded the requirements of social studies content in grades 1-12 to include a long list of subjects, and as an example: Exemplary figures and important events in western civilization, the United States, and the state of Iowa, including but not limited to the history of ancient Israel, the free Greek city-states, the Roman Republic, the Roman Empire, medieval Europe, Columbus and the Age of Discovery, World War I, World War II and instruction related to the Holocaust, and the Cold War. (Unfunded costs re change lesson plans, textbooks and learning materials and training). Also added civics instruction to middle school grades.

HF 2612 AEAs, SSA and TSS: although the experience is varied, school districts that received educational and media services from the AEAs in many cases, exceeded the amount of AEA flow-through funding associated with their district. AEA restructuring changed the determination of costs and services, which must now be provided elsewhere at cost. Minimum teacher pay was required to be phased in to \$50K for new teachers and \$62K for teachers with 12 years or more of experience. The costs of paying for the new minimums when filling vacant positions, for teachers with less than a full position, or for contract costs of applying salary increases above the base were not included in the formula. TSS is based on student enrollment, so as enrollment declines, districts will receive less and less funding to pay for mandated minimum salaries.

HF 2618 Literacy Initiative: Requires provision of services in a personalized reading plan to students not testing as proficient, including notice to parents and retention of students if requested by parents.

HF 2652 School Security, Radios, Safety, Firearms Detection, Security Officers and Safety Task Force: Mandates for equipment, training, emergency operations plan updates, and staff were not funded, as the grant and appropriation to support the costs was not included in appropriations bills.

HF 2411 Work-based Learning: changed the definition of WBL and required districts to provide it (although legislation allows it as a career and technical education option, the state's accountability plan holds districts accountable for increasing WBL).

SF 2435 Education Appropriations: included required Chronic Absenteeism tracking, reporting, costly notices to parents and the county attorney, tracking, accountability meetings with parents and students.

- Requires school districts to send notice via certified mail (without an alternative in-person or other delivery mechanism)
- Requires weekly follow-up through the remainder of the year, even after the attendance issue has been resolved (increased data monitoring, record keeping and contacts)

- Specifies conditions under which the notice of chronic absenteeism may be sent to families earlier than the 10% benchmark, but only if the county attorney and school board agree on a number of absences to trigger the notification and if the number is included in the student handbook

SF 2442 Local Government Budget Process: required reporting to counties and a second public hearing on school budgets.

2023

HF 430 Mandatory Reporters: requires school districts to use a DE form for a reference check and keep the form as a record rather than requiring the specific questions in the form to be asked, with answers maintained as a record. The form doesn't always fit in the electronic structure of hiring processes and record-keeping.

SF 496 Age-Appropriate Materials: allows a direct appeal to the DE if a parent does not believe a library or classroom book is age-appropriate, without first requiring the parent to notify the school district or follow the local policy to challenge library and classroom materials.

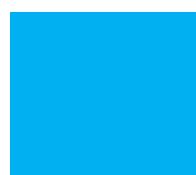
SF 2331 Publication Requirements: deems that a local district has met publication requirements, even if the newspaper prints an error or does not print in time, only if the notice is timely published on the school district website and the county website of all counties involved and posted on a statewide internet database (managed by INA). However, the newspaper is the entity responsible for submitting information to the statewide database, and school districts have no control over their public notice being posted there.

Other Limitations

PK and Child Care: DE's practice of prohibiting school districts from spending any general fund dollars on preschool expansion (either additional classrooms or longer periods of instruction) predates the 2017 change to statutory Home Rule. DE rules have limited PK expenditure sources except those authorized in code (flexibility account, parent pay, local fundraising/ donations, Shared Visions grants, etc.) and specifically exclude school district general fund dollars as a source). The General Fund is also prohibited from being spent on child care, which may be necessary to provide more access to PK.

IPERS Employer Share: IPERS Board annually reviews and may order an increase in the employer's share of IPERS, which must be paid by the school district.

DE data collections and oversight have recently intensified. Some of that activity is in the area of special education oversight, due to a federal finding that the state was not compliant in fiscal monitoring. Additional informational requests and documentation have been ongoing regarding compliance with federal funding and reporting requirements. Desk audits for accreditation purposes have also intensified.



RSAI 2026 Legislative Priority: School Choice and the Priority of Public Schools

Background: Iowa provides many options to parents and students regarding the choice of school. Options include the public school of residence, another public school in the district, open enrollment to another public school or virtual academy, public charter school, nonpublic school, and two kinds of homeschool. State appropriations and tax credits provide various financial supports to parents choosing private options, including School Tuition Organization Tax Credits, Tuition and Textbook Tax Credits, Education Savings Accounts, and public-school support for private schools (provision of special education, college credit courses and transportation assistance).

HF 68 was enacted in the 2023 Session. It authorized state-funded Education Savings Accounts (ESAs) equal to the state cost per pupil set annually by the Legislature. Although phased-in to lower-income families and incoming kindergarten students, beginning in FY 2026 and going forward, there is no income limit for eligibility. The estimated cost to the State, once fully phased in, will likely exceed \$450 million annually. Meanwhile, charter school expansion is also evident, with [16 charter schools now approved](#) (only 3 of which were chartered by their locally elected school boards).

Financial Impact: RSAI opposes any expansion of programs/plans that redirect public funds for private schools, homeschooling, or other private services. Private school programs must include accountability for expenditures and should be subject to public oversight consistent with the funding of tax dollars. Investments in ESAs or other private systems stress public school resources in several ways: 1) reducing students (Iowa's funding formula is enrollment-based), 2) concentrating minority and poverty in public school districts where private schools are located, 3) creating pressures to expand (new private schools are popping up not only in urban centers, but also in rural districts as experienced in Florida and pressure is expected to include homeschool and nonaccredited private school ESA eligibility down the road), and 4) allowing private schools to choose which students to enroll. Additionally, students beginning a semester in a private school may withdraw and return to public school. When they return after Oct. 1, 2025 (enrollment count day), they are not counted for public school funding purposes until Oct. 1, 2026 and not funded until the school year starting July 1, 2027.

Education Savings Accounts Implementation: ESAs are now Iowa law. Now fully phased in and three years since enactment, RSAI supports several legislative fixes and policy corrections that would improve workability, minimize harmful impacts on public schools, and improve fairness:

- When enacted, HF 68 set an ongoing policy that students receiving an ESA and attending a nonpublic school be counted by the district of residence on October 1 to generate per pupil supplements (PD, TSS, TLC and EICS) for the resident district, on average, \$1,205 per pupil beginning in FY 2025. The Legislature should provide public school boards with the flexibility to spend those funds on any necessary district purpose, including improving staff compensation, closing achievement gaps, providing fine arts, computer science, or any other purpose local leaders determine is critical for students. The new teacher salary minimums and the calculation of TSS needed to pay them, per HF 2614 in the 2024 Session, inadvertently scooped the TSS funds that HF 68 intended for local districts to use as an offset to the negative financial impact of ESAs.

- Tuition and textbook tax credits and school tuition organization tax credits should be examined. With ESAs available to all students enrolled in accredited nonpublic schools, these funds or a portion of them could be reallocated to fund district costs of addressing chronic absenteeism, supporting high-needs public schools and/or schools with concentrations of high poverty and non-English speaking populations, and other measures of students at-risk of not succeeding, to close learning gaps, improve outcomes, or provide resources for recruitment and retention programs such as loan forgiveness.
- If a student withdraws from the private school after the Oct. 1 enrollment count date and enrolls in the public school, the student should be counted for funding or spending authority in the coming fiscal year.
- The appropriation to public schools to reimburse parents for transportation of nonpublic students should not flow through public schools, requiring time and attention of their accounting staff. The ESA portal could accomplish transportation reimbursement directly to parents.
- Nonpublic enrollment and open enrollment to another public school impacts both funding and staffing decisions. A reasonable deadline for an ESA application should mirror the March 1 open enrollment application deadline. The open enrollment exceptions for good cause could also apply to an ESA after the deadline for extreme cases. Such a deadline would improve the ability of both public and nonpublic schools to budget and staff, allocating resources for the students they will serve.

Education Savings Accounts (ESAs) and School Choice: The priority of public schools, chosen by well over 90% of families in Iowa, demands adequate funding and support. RSAI opposes expansion of programs that redirect or designate additional taxpayer funds for private school, homeschool or other private services. Iowa law should set and maintain a rigorous accreditation process to provide and fund only high-quality private schools for Iowa students.

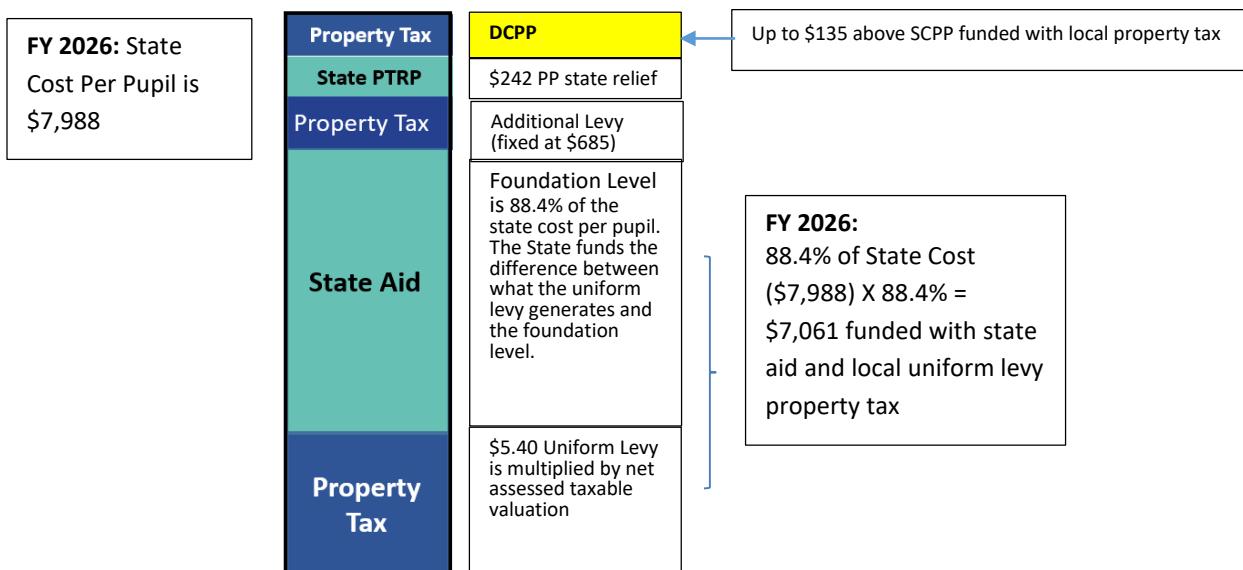
Private school programs receiving ESA for tuition should be subject to public oversight. RSAI also supports the following correcting legislation:

- Categorical restrictions on funds generated for public schools by a district's count of resident students eligible for an ESA should be lifted. School Districts should be able to use this funding for any expenditure in the district to improve the quality of education and programs for students.
- If a student withdraws from the private school after the October 1 enrollment count date and enrolls in the public school, the student should be counted for funding or spending authority in the next semester and/or the coming fiscal year. The reallocation of the balance of that student's ESA would provide for the public program.
- The deadline for ESA application should be March 1, the same as open enrollment. Exceptions should be allowed for an ESA approved after the deadline for extreme circumstances, based, the same as open enrollment. Such a deadline would improve the ability of all schools to budget and staff wisely, allocating resources for the students they will serve.
- The appropriation to public schools for private school parent reimbursement of transportation should go directly to private schools, be added to the ESA or be offered as a tax credit for private school parents. Public schools should be relieved from the paperwork demands of this accounting function.



RSAI 2026 Legislative Priority: Formula Equity

History: Before the Iowa school foundation formula was created, school districts depended almost entirely on local property taxes for funding. The level of support varied due to many factors, including community attitudes about the priority of education and local property tax capacity. The formula, created in the 1970s, set a State Cost Per Pupil (SCPP) and then brought all districts spending less than that amount up to the SCPP. A combination of local property tax and state foundation aid provided funding. Those districts that spent more than the newly defined SCPP were allowed to continue for five decades, funded by local property taxpayers. A difference between the SCPP and a higher District Cost Per Pupil (DCPP) persists today, although it has narrowed over time through legislative action. This graphic shows the property tax and state aid components of the SCPP and the DCPP above the \$7,988 (FY 2025-26 SCPP). In the 2025 Session, the Legislature closed the formula inequity gap by an additional \$5 per pupil in [SF 167](#), at a cost of \$1.5 million. The DCPP and SCPP gap is currently \$135 per pupil.



Current Reality: In FY 2026, 230 districts (71%) are limited to the SCPP as their District Cost Per Pupil (DCPP). The other 95 districts (29%) have a DCPP ranging from \$7,989 to \$8,123, or \$1 to \$135 more per student. This table shows the number of districts by the range of authority in the formula allowed to exceed the SCPP. When the Legislature determines the percentage increase in the SCPP, that is calculated as a dollar amount, which is then added to every district's DCPP, continuing the \$135 gap. On a percentage basis, the \$135 is much less today than it was in 1975. However, when school budgets are tight, every dollar matters.

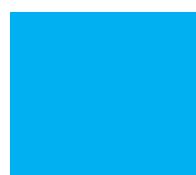
FY 2026 Count of Districts	Amount DCPP is Greater than SCPP
230	\$0
25	\$1 to \$17
24	\$18 to \$39
23	\$41 to \$72
23	\$78 to \$135
Total = 325	

Inequity impacting students: The amount of funding generated per pupil for regular education is not the same for all districts. A district, based solely on its historical practice prior to 1973, can generate more or less funding for each student. Inequities are further compounded by the formula's use of multipliers or formula weightings for special student needs. Those multipliers, applied to the DCPP, generate different amounts of support for students, special education or English learners, for example, by application of the formula.

Solutions: Possible solutions to promote equality without lowering the per pupil amount available for any school district include:

- The Legislature could grant all local districts spending authority for the difference and allow school boards to decide locally whether to fund it. This solution maintains the state's funding commitment without increasing it and provides local property taxes to support community schools. Although not all districts have equal political capacity to assess local property taxes, the impact on taxpayers is now buffered by efforts to promote tax equity, such as the Property Tax Equity and Relief (PTER) fund and the dedication of ongoing sales tax growth through the SAVE fund, which have lowered school property tax rates statewide. Legislators could appropriate funds from the Taxpayer Relief Fund, with an estimated balance over \$3.6 billion in FY 2026, to offset what would otherwise be property taxes to implement equity immediately.
- Set the state cost per pupil at the highest amount but lower the foundation percentage threshold from 88.4% to an amount that balances the impact on the state and on property taxes.
 - While both solutions depend on local funding, many districts have sufficient cash on hand, so there would be little impact on cash reserve levies for several years.
- Phase in a long-term commitment to eliminate the inequality over time. [SF 167](#) closed the formula inequity gap by an additional \$5 per pupil. At this pace (\$5 per pupil per year), it will take 27 more years to obtain full equity. A commitment to close the gap by an average of \$13.5 per pupil would get to equity in 10 years.
- A combination of the two options above would also be possible – authority in the meantime while closing the gap over the long haul.

Formula Equity: Investments in formula equity should continue, closing the \$135 state and district per pupil gap within ten years. Inequities in the formula, based on no longer relevant historical spending patterns over 40 years ago, must be corrected to support resources for all Iowa students.



RSAI 2026 Legislative Priority Position Paper: Student Mental Health

Background: Mental health challenges for students have increased in all school districts in Iowa, including rural schools. Information from the [Health Resources and Services Administration, \(October, 2024\)](#), included research from the *National Survey of Children's Mental and Behavioral Health, Adolescent Mental and Behavioral Health 2023* follows:

Extent of Mental and Behavioral Health Challenges for Students

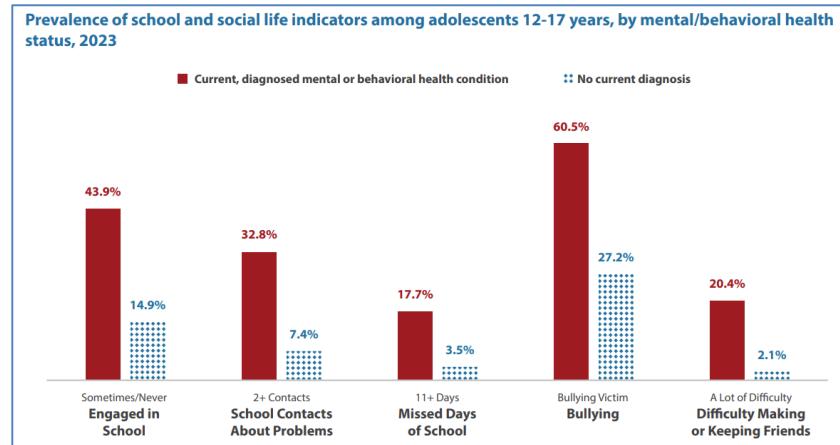
In 2023, more than 5.3 million adolescents ages 12-17 years (20.3% of adolescents) had a current, diagnosed mental or behavioral health condition (anxiety, depression, or behavior/conduct problems). Anxiety was the most common condition (16.1%), followed by depression (8.4%) and behavior/conduct problems (6.3%).

- A greater proportion of females had diagnosed anxiety (20.1% vs. 12.3%) and depression (10.9% vs. 6.0%). A greater proportion of males had diagnosed behavior/conduct problems (8.2% vs. 4.3%).
- Between 2016 and 2023, the prevalence of diagnosed mental or behavioral health conditions among adolescents increased 35% (from 15.0% to 20.3%).
- The prevalence of diagnosed anxiety increased 61% (from 10.0% to 16.1%); depression prevalence increased 45% (from 5.8% to 8.4%); diagnosed behavior/conduct problem prevalence was stable.

Impact on School

School and social life indicators include school engagement (caring about doing well in school and doing all required homework), contact with parents/caregivers about school problems, missed days of school for health reasons, bullying, and difficulty making or keeping friends. There were differences in these indicators between adolescents with a current, diagnosed mental or behavioral health condition (anxiety, depression, or behavior/conduct problems) and those without a current diagnosis.

- School engagement: Adolescents with a current diagnosis were 3 times as likely to be disengaged from school, compared to those with no diagnosis (43.9% "Never" or "Sometimes" engaged vs. 14.9%).
- Contacts about problems in school: Adolescents with a current diagnosis were 4 times as likely to have parents/caregivers report two or more contacts from their school in the past 12 months about problems compared to those with no diagnosis (32.8% vs. 7.4%).
- Absence: Adolescents with a current diagnosis were 5 times as likely to miss 11 or more days of school for health reasons in the past year, compared to those with no diagnosis (17.7% vs. 3.5%).



- Bullying: Adolescents with a current diagnosis were twice as likely to be a victim of bullying in the past 12 months, compared to those with no diagnosis (60.5% vs. 27.2%).
- Difficulty making or keeping friends: Adolescents with a current diagnosis were 10 times as likely to experience a lot of difficulty with making or keeping friends, compared to those with no diagnosis (20.4% vs. 2.1%).

Provider Shortage: [Iowa Capitol Dispatch](#), Nov. 23, 2020, “One in five Iowans is likely to be affected by a mental health challenge in a normal year. In 2020, that estimate increased to one in four, according to [NAMI Iowa’s strategic plan](#). But Iowa continues to fall far short of the number of mental health providers needed to address the need. The state ranks 48th overall in the provision of mental health services, according to NAMI Iowa, with fewer than 100 psychiatrists accepting clients in the state.” Four years later, in Aug. 2024, The Iowa Mental Health and Disabilities Commission [remains](#) concerned: “The inability to recruit and retain qualified staff has a significant negative impact on the system for the past 4-5 years. Current rates continue to be insufficient to support recruitment/retention of adequate staffing for services across the state in both rural and urban areas. We recommend that the state develop a sustainable plan for funding extending beyond American Rescue Plan Act (ARPA) funding.”

Impact on School: Chronic Absenteeism is defined as missing 10% or 18 days a school year. Children with mental illness are more likely to miss school due to depression or anxiety and are then more likely to miss school to get needed mental health care. According to the American Academy of Pediatricians, [School Attendance, Truancy & Chronic Absenteeism: What Parents Need to Know](#), “Children who are chronically absent in kindergarten and first grade are less likely to read on grade level by third grade. For older students, being chronically absent is strongly associated with failing at school—even more than low grades or test scores. When absences add up, these students are more likely to be suspended and drop out of high school. Chronic absenteeism is also linked with teen substance use, as well as poor health as adults.”

Recent Strides: Unless a student is receiving special education services required by their IEP, mental health treatment at school is not funded. Such services are often not readily available in rural communities, requiring time away from school or no service at all. Thankfully, the 2020 Iowa Legislature approved schools as originating sites for virtual mental health counseling. Virtual services minimize absenteeism and get students the help they need while at school, when virtual telehealth counseling is appropriate for their challenges. Although effective for some, this solution is not sufficient for Iowa’s neediest students.

The 2019 Legislature created a structure for children’s mental health services. In 2020, the Legislature and Governor approved [SF 2360](#) Classroom Management/ Therapeutic Classrooms. This legislation sets up a grant process for additional therapeutic classrooms. Both of these efforts require funding to be successful, which the Legislature appropriated in the 2021 Session. [HF 868](#) first appropriated \$3.2 million to the Iowa AEAs to provide mental health awareness training for educators and mental health services. In 2022, the Legislature created a new Mental Health Providers Loan Forgiveness Program in [HF 2549](#). [HF 2575](#) further increased mental health funding to AEAs to \$3.4 million (and that appropriation has been continued in the Education Budget every year since.) HF 2575 also added another \$725,000 for the Therapeutic Classrooms, and established a Mental Health Rural Pilot Report

(Required DE, in collaboration with the statewide not-for-profit health care organization receiving moneys for the children's grief and loss rural pilot program, to prepare a report detailing the expenditure of moneys used for the purposes of the program and its outcomes to the General Assembly by Sept. 30, 2023.) These are all promising investments, but the state must continue to support these and do more.

The need to continue this important work is more urgent than ever. Making sure there is access to mental health services for all students and their families remains a struggle, especially for rural communities.

Increasing Student Needs Including Mental Health: Students in rural areas are often distanced from needed services. Iowa must continue to address improved access to funded community mental health services for children. The legislature should continue to address the shortage of mental health professionals statewide and to provide resources for local districts to train school staff in mental health first aid and awareness and build community capacity to address the mental health needs of children.



RSAI 2026 Legislative Priority: Operational Sharing Incentives & Efficiencies

Background: Operational function sharing is an incentive for districts and AEAs to reduce costs and expand services by sharing specified personnel. The weighting is equal to the regular program district cost multiplied by the number of students assigned to each position. The maximum number of additional weighting allowed, regardless of the number of positions shared, was increased to 25 students in 2025, [SF 167](#) TSS Plus, although the college and career transition coordinator weighting is exempt from the cap (a district could effectively generate 27 students' worth of supplementary weighting if sharing that position). The legislature gave districts authority to share additional positions but also reduced the associated weighting (funding) for all positions in place in 2023, except for the superintendent position, which was increased by one student weighting. In HF 68 School Choice and Education Policies, enacted in the 2023 Session, extended the sunset of the operational sharing incentives statute to the end of the 2034-35 school year. The last year schools would receive funding would be FY 2036 unless a future General Assembly acts to extend the weighting. The most recent DE [guidance](#) is dated September 2025.

Current Reality: For positions to be funded in the 2026-27 budget, the sharing agreements must have been in place and reported on the Oct. 1, 2025 BEDS enrollment.

Financial Impact: For FY 2026, a total weighting equivalent to 4,310 students, or \$34.4 million, was generated through operational sharing for 301 school districts. Seven of Iowa's AEAs generated funding in the FY 2026 school year, but have limited revenue based on statute. (AEA operational funding generates a minimum of \$30,000 and a maximum of \$200,000 per AEA.)

The positions and corresponding weightings are included in the following table:

Position Qualifying for Operational Sharing	FY 2026 Weighting in pupils
Superintendent management	9
Business management, human resources management, transportation management, operations and maintenance management	4
Curriculum director, master social worker, independent social worker, school counselor, special education director, mental health professional w/statement of professional recognition by BOEE, school resources officer (SRO)	2
Total of weighting for all positions:	43
Weighting Cap (Maximum a district can receive for all of the above combined sharing arrangements): \$7,988 per student X 21 students = cap of \$199,700 funding	25
College and career transition counselor/coordinate (weighting is exempt from 21-student cap) \$7,988 per student X 2 students = \$15,976 above the cap	2

Sharing Requirements: Positions must be shared for at least 20% of the normal, full-time contract hours for the position in the school year in each district or AEA requesting the supplementary weighting for sharing. The final year in which a supplementary weighting may be requested through the October 1 enrollment count (Fall BEDS) for this purpose is no later than the school year that begins July 1, 2035, unless extended by a future legislature. The Iowa Legislature sets the state cost per pupil and the Iowa Dept. of Management (DOM) includes the per pupil costs and weightings in the districts' Aid and Levy worksheets. DOM also includes the amounts in budgets for participating AEAs.

Other Sharing Partners: Districts and AEAs may share personnel with any Iowa governmental subdivision in addition to other districts and AEAs. If the district shares with a city or community college, for example, and the district meets the minimum time of operational sharing (at least 20% FTE), then the district may include the related enrollment weighting in its Fall BEDS enrollment report to generate supplementary weighting. Other political subdivisions do not generate weighting for their part of the sharing. Only schools and AEAs qualify for the supplementary weighting. "Political subdivision" is defined in Iowa Code [257.11 subsection 5](#): as "a city, township, county, school corporation, merged area, area education agency, institution governed by the state board of regents, or any other governmental subdivision."

Funds generated through operational sharing are not required to be reported distinctly or expenditures accounted for in a separate fund. The DE rules specify that "additional funds provided through supplementary weighting for operational function sharing shall be used to increase student opportunities."

Operational Sharing Incentives: Operational Sharing Incentives should continue and be increased. Weightings should be sufficient to encourage and support sharing opportunities, with a 3-student weighting at a minimum per position. With recent significant pressures on schools for technology data protection and cybersecurity, an additional position of technology director should generate supplementary weighting within this program. Some positions, such as those to address mental health or school safety, including school resource officers, and expanded sharing options with AEA staff to replace services stressed by economies of scale and AEA restructuring, should be exempted from the cap.

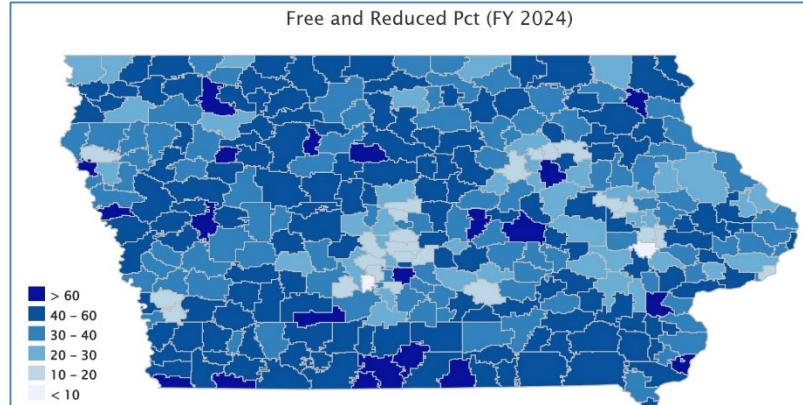


RSAI 2026 Legislative Priority: Opportunity Equity for High-Poverty Students

Background: Iowa's funding formula does not sufficiently recognize poverty as a driver of at-risk student programming. Historically, Iowa schools served a more homogenous, middle-class population. In 2001, about 27% of students were eligible for Free/Reduced Price Lunch (FRPL). Dropout Prevention funding is based on total enrollment, not a measure of students at risk. DoP capacity is limited to 2.5% of the regular program district cost or up to 5% based on historical practice. This inequity in DoP capacity is based on district decisions and student needs from decades ago. Low-income students are an important piece of Iowa's workforce puzzle, more apt to stay in Iowa, and will either be the backbone of our communities' potential or a drain on future resources.

The December 2019 School Finance Interim Committee passed a unanimous recommendation regarding poverty. The Committee saw a presentation by ISFIS reporting on the national average of 29%, and the shortfall in Iowa compared to best practice (access the Committee's Website showing the [ISFIS presentation](#)). The study was directed to review other states' formula resources for students from low-income families, which are showing successful student achievement outcomes. [HF 2490](#) Poverty Weighting Study was approved with strong bipartisan support in the House Education Committee in the 2020 Session, then stalled. This bill serves as a good starting point for continued conversation.

Current Reality: In FY 2025, 42.2% of students enrolled in public schools were eligible for FRPL. There were 74 districts with more than half of their students on FRPL, and 22 of those school districts had more than 60% of students eligible for FRPL. Poverty is found throughout the state, regardless of district size or geography, as the map shows. Districts above 70% include Storm Lake, Waterloo, Sioux City, Marshalltown, Des Moines, Postville and South Page (the state high of 87.1%). Two charter schools also enrolled more than 70% of their students eligible for FRPL.

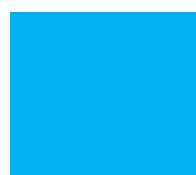


Impact of Poverty on Student Outcomes and School Resources

- Iowa's funding for at-risk (0.48%) and dropout prevention (2.5-5%) combined are well short of the national average 29% weighting for low-income students (AIR, [Study of a new Method of Funding for Public Schools in Nevada](#), Sept. 2012). Since Iowa spends \$2,734 less per student than the national average ([US Census data](#) reporting on FY 2024), the weighting per low-income Iowa student, applied to this lower base, is inadequate to provide needed supports.
- Students from low-income families are more likely to miss preschool, begin school academically behind, exhibit nonproficient literacy skills, especially in early elementary, and fall further behind over summer breaks, unless schools have the resources, staff and programs to meet their needs.

- Districts must waive fees for FRPL-eligible families, meaning districts with concentrated poverty have fewer resources for textbooks and driver's education, further stressing the general fund.
- High-poverty school investments boost achievement. Education Week, [Student Outcomes: Does More Money Really Matter? Fresh research bolsters the case for K-12 cash—and a rough road without it](#), Daarel Burnette II, June 4, 2019 reports: "More money does, in fact, make a difference, they (researchers) say—provided that you spend enough, and in the right manner. They point to research in the past five years that provides examples of instances where politicians and taxpayers invested more money in teacher salaries, school construction, and schools with high populations of low-income students and saw students' test scores jump."
- Concentrated poverty impacts student learning when not addressed. The McCourt School of Public Policy, Georgetown, FutureEd, [State Education Funding; The Poverty Equation](#), March 2020, states, "What's more, when poverty is concentrated in a school—that is, when a significant portion of students in a school come from low-income households—the impact on performance is compounded. [A body of research](#) suggests that there is a 'tipping point,' somewhere between 50 to 60 percent of a school's students living in poverty, where performance for all students there drastically declines."
- Participation in Free and Reduced-Price Lunch echoes other indicators of poverty, such as lower property values supporting students and/or concentration of refugees and English-language learners. The [Final Report of the ELL Task Force in 2013](#) stated, "Note that property tax pressures are significant in most school districts with high concentrations of ELL students." Resources such as additional modified supplemental amount for excess ELL expenses beyond the formula weighting and dropout prevention funding are paid entirely with property taxes, already stressed in lower-income communities.

Increasing Student Needs Including Poverty and Mental Health: Resources should be based on at-risk needs, not just enrollment. All school boards should be able to access up to 5% dropout prevention funding. School districts should be granted spending authority for FRPL-waived fees. Iowa should study the impact of poverty on educational outcomes and best practices of other states in closing associated achievement gaps, leading toward a significant and urgent update to Iowa's School Foundation Formula in funding programs for Iowa's neediest students.



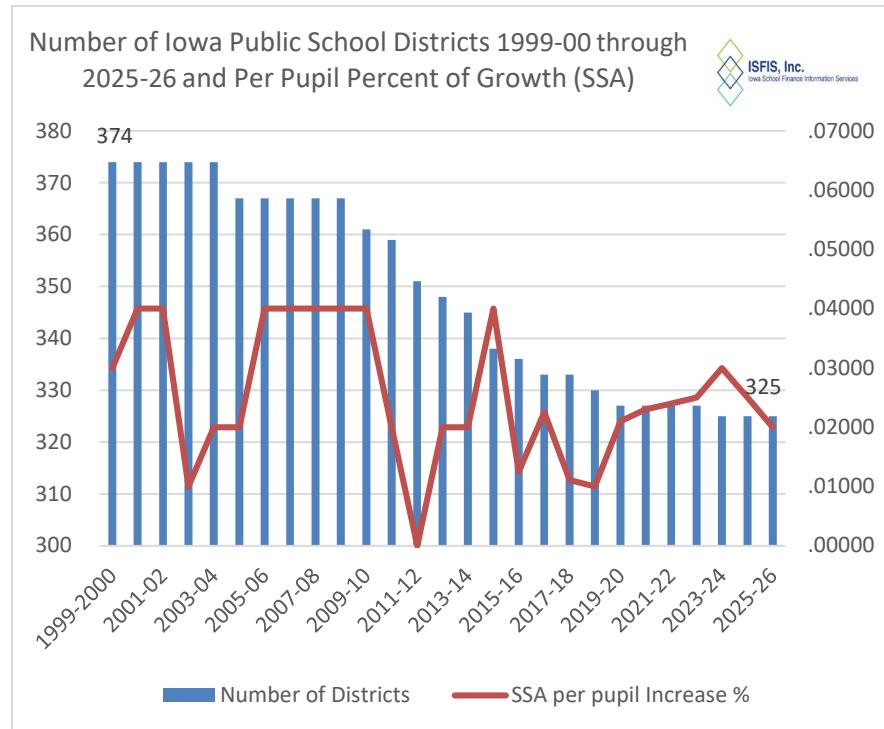
RSAI 2026 Legislative Priority: Whole Grade Sharing and Reorganization Incentives

Background: Whole Grade Sharing and Reorganization Incentives (WGS) are no longer available to school districts beginning July 1, 2024 (HF 566 enacted in the 2019 Session last extended WGS for five years). Whole Grade sharing incentives provide an impetus for districts to deliver greater educational opportunities for students, either one-way, which 41 districts are using in the 2025-26 school year or with two-way agreements, in which 12 districts are engaged. Three districts that previously participated in whole-grade sharing were reorganized effective July 1, 2019, lowering the total number of school districts in Iowa to 327. Two more reorganizations began on July 1, 2023, bringing the current total to 325 districts. See the list of WGS partners on DE's Website here:

<https://educate.iowa.gov/media/10364/download?inline>

Historically, incentives have helped ease the financial burden of sharing. They sometimes, but not always, lead to reorganization. School districts have experienced significant reorganization in Iowa, which originally had over 4,600 school districts decades ago, now with just 325 since July 1, 2023.

Continued low increases in the per pupil funding (SSA) contribute to financial pressures, leading to both sharing and reorganization necessities for rural schools to meet students' needs and increasing accreditation demands.



Current Reality:

- **WGS** between districts may save on staff costs, typically increases transportation costs, but most importantly, provides additional opportunities for students. The impact of increased transportation costs has been lessened by the state's reimbursement of transportation expenditures above the state average since enacted by SF 455 in the 2018 Session. The incentives help to get students to the programs they need to be successful. The reorganization incentives timeline encourages school boards to work together in a timely fashion to provide what's best for students, but harmonious reorganization can take many years. Some districts have found long-term success in whole-grade sharing that expands opportunities but has not led to consolidation at the district level.

- Without the incentives after reorganization, since transportation costs and staff savings have already been incurred through WGS, additional efficiencies are not as significant. This hurdle can create a barrier to reorganization, absent the incentive, especially if property tax rates of the two potential reorganization partners are disparate. Three years of property tax incentives following reorganization helps ease that transitional impact on taxpayers.
- Maintained legislative commitment to transportation equity payments has lessened a major barrier to reorganization in years past, for rural districts with larger-than-average transportation costs.

Whole Grade and Reorganization Incentives/Efficiencies: Whole Grade Sharing and Reorganization incentives, expired at the end of the 2024-25 school year, should be extended. These incentives bring taxpayers and parents to the table in support of expanded opportunities for students, most often in districts without the economies of scale necessary to provide a broad and varied academic and interscholastic experience for students. These incentives should either be included as an ongoing option for school districts in perpetuity or extended to at least June 30, 2036.

Find out more:

DE's Whole Grade Sharing Handbook, July 2024, explains funding, enrollment operations, negotiated agreements and other critical procedures for districts to follow. It is posted on DE's website:
<https://educate.iowa.gov/media/6445/download?inline>

DE's Reorganization, Dissolution and Sharing web page includes additional resources:
<https://educate.iowa.gov/pk-12/operation-support/business-finance/financial-management/reorganization-dissolution-sharing>