

## **RSAI Call to Action**

Rural School

**Advocates** 

## State Cost per Pupil Must Be Adequate and Set Timely In the 2015 Legislative Session

**The Issue:** The Legislature should follow the law to set the cost per pupil within 30 days of today's release of the Governor's budget. The RSAI is calling for immediate action this Session to set the per pupil cost for FY 2015-16 ASAP, no lower than 6%, and the per pupil cost for FY 2016-17 by Feb. 12, 2015, no lower than 6%.

**Old News:** During the 2014 Legislative Session, the Senate affirmed a 6% increase in the cost per pupil multiple times, but no action was taken in the House. <u>Iowa Code 257.8</u> requires action within 30 days of the release of the Governor's budget. The Legislature is out of compliance with Iowa law to prioritize education by setting the rate nearly 18 months in advance of the budget year (FY 2016 decision was due Feb. 12, 2014). For a complete history of Iowa's per pupil increases, see today's Education Coalition Fact of the Week found here: <u>http://us5.campaign-archive1.com/?u=e0acb6236d9a5dbd136a38ef4&id=c51a6174b7&e=aaa80af2d0</u> RSAI has joined the Public Education Coalition and encourages all to attend the Joint Legislative Reception on Jan. 26 in Des Moines following the IASB Legislative Conference. Click <u>here</u> for more information.

**News Today:** Neither the Governor's Condition of the State Address today nor his *Program and Budget* document mention a specific rate of increase. However, the LSA Preliminary Summary <u>Governor's FY 2016</u> <u>Budget Recommendations</u> provides the following information on page 6:

**"State Aid to Schools:** The Governor is recommending a General Fund appropriation of \$2,950.3 million for State Aid to schools in FY 2016. No State percent growth rate is specified by the Governor, but this amount reflects an estimated State percent of growth rate of **1.25%**. The recommendation represents a net increase of \$84.8 million (3.0%) compared to the FY 2015 funding level. The increase includes: \$50.2 million for the Teacher Leadership and Compensation System, \$5.5 million to extend the Property Tax Replacement Payment (PTRP), and a reduction of \$15.0 million in State Aid to Area Education Agencies (AEAs). The recommended AEA reduction maintains the State aid reduction applied in FY 2015 and previous years.

The Governor is also recommending a General Fund appropriation of \$3,091.8 million for State Aid to schools in FY 2017. No State percent growth rate is specified by the Governor; however, this amount reflects an estimated State percent of growth rate of 2.45%. The recommendation represents a net increase of \$141.5 million (4.8%) compared to the FY 2016 recommendation and includes: \$51.1 million (for a total of \$101.3 million) for the Teacher Leadership and Compensation System, \$10.7 million (for a total of \$16.2 million) to extend the PTRP, and a reduction of \$15.0 million in State Aid to AEAs."

## TALKING POINTS: This Legislature must set the 2015-16 cost per pupil at 6%.

- Iowa ranks 35<sup>th</sup> in the nation in per pupil funding, \$1,612 below the national average per student in expenditures. Our schools haven't recovered from the economic downturn and record low funding rates of the last several years. For rural schools in particular, suffering declining enrollment, record low increases mean staff layoffs and program reductions, despite ongoing efforts striving for sharing and efficiency.
- In the 44-year history of the formula, in only two instances has the per pupil increase been lower than the Governor's recommendation that came out today for FY 2016 and FY 2017. World-class schools take something more than third-class funding.

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- Iowa's economy is strong, state coffers are full. Although we can never be certain about the future, we are certainly well positioned to sustain any significant economic challenge in the next several years. Iowa ranks 9<sup>th</sup> in the nation in reserve funds on hand, has the 12<sup>th</sup> highest growth rate in gross domestic product nationally, and ranks 9<sup>th</sup> in growth of per capita personal income nationwide.
- Iowa Code requires legislative action within 30 days of the governor's budget (the deadline for FY 2016 passed 11 months ago.) Schools should already be working on budgets, analyzing staffing needs to meet student needs, planning for education reform changes in staffing and practice, and determining pay increases with teachers and other staff, but since the per pupil rate for the school year starting July 1, 2015 isn't known, this work today is all hypothetical. School timelines require more than a few months' notice to be good stewards of over \$4 billion in combined state and local funds.
- Education is the priority and worthy of action within the timelines set in current law. If this legislature can plan ahead to meet property tax reductions over several years, it can plan ahead to adequately fund the education of our children.
- Increased costs typically run 3-3.5% annually, just to keep doing the business of school, such as keeping on the lights, meeting expectations in the Iowa core curriculum, paying staff, covering increased costs of insurance, transportation, retirement, books and programs. Facing enrollment declines or increased route miles for busing further magnifies the impact of Iow funding for rural schools.

**Cedar Rapids Gazette** editorial on why the Legislature should follow the law and set school funding in advance. Read it, share it, and send it to your legislators and others. This editorial (<u>http://thegazette.com/2014/02/06/lawmakers-should-follow-laws/</u>) explains why education funding should be set before the rest of the budget:

"The not quite 20-year-old state law directs the Legislature to set state per-pupil funding two years in advance, and within 30 days of receiving a governor's budget. The goals are pretty simple. Make school funding a top priority, give school districts ample time to plan ahead and make it less likely that critical school bucks will get tangled up in all the budgetary horse-trading that happens late in a session."

Ask all of your legislators, both Senators and Representatives, in both parties, and the Governor to follow the law and prioritize funding for educating Iowa's children.

## Parents, grandparents, staff and neighbors, you can help!

Call or email Gov. Branstad and Lt. Gov. Reynolds and your legislators and leave a message that schools need sufficient school funding, at least 6% per pupil, determined this session.

**Office of the Governor:** State Capitol | 1007 East Grand Ave. | Des Moines, Iowa 50319, Phone: 515.281.5211 | <u>Contact Us</u> (<u>https://governor.iowa.gov/contact/</u>)

To reach members of the Iowa House and Senate:.

- Find your legislator here: <u>https://www.legis.iowa.gov/Legislators/find.aspx</u>
- Email your legislators. <u>firstname.lastname@legis.iowa.gov</u>
- Call the House Switchboard. Leave a message for your representative at 515.281.3221
- Call the Senate Switchboard. Leave a message for your senator at 515.281.3371

Write a letter to your local newspaper explaining the information above in this call to action or sharing details from the education coalition funding fact of the week.

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