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RSAI Legislative Update and Interim Advocacy
Oct. 3.2025

Dave Daughton and Margaret Buckton

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Agenda

- Quick Introductions
- 2025 Legislative Session Highlights (setting the Stage for 2026)
- Legislative Leadership and Other Changes
- Interim Advocacy Actions
- Preparing for RSAI Annual Meeting Discussion: Advocacy Actions that Work
- Post Annual Meeting Advocacy

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Introductions

- Name, District(s), RSAI Role, plus. . .

- One highlight you are excited about as school is underway this fall

  ____

  ____

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2025 Session Highlights:

Setting the Stage for 2026

2026 Session in a Biennium

- All bills introduced in 2025 are alive for consideration in 2026, until they fail to progress beyond a funnel deadline
- There are some bills with positive and some with negative effects for schools in this category of consideration
- These bills typically require amendment to move forward, changing effective dates, etc.
- The second year of a biennium is also an election year. 100-day Session instead of 110-day Session (that’s the plan)
- Election-year politics often change legislative energy for issues.

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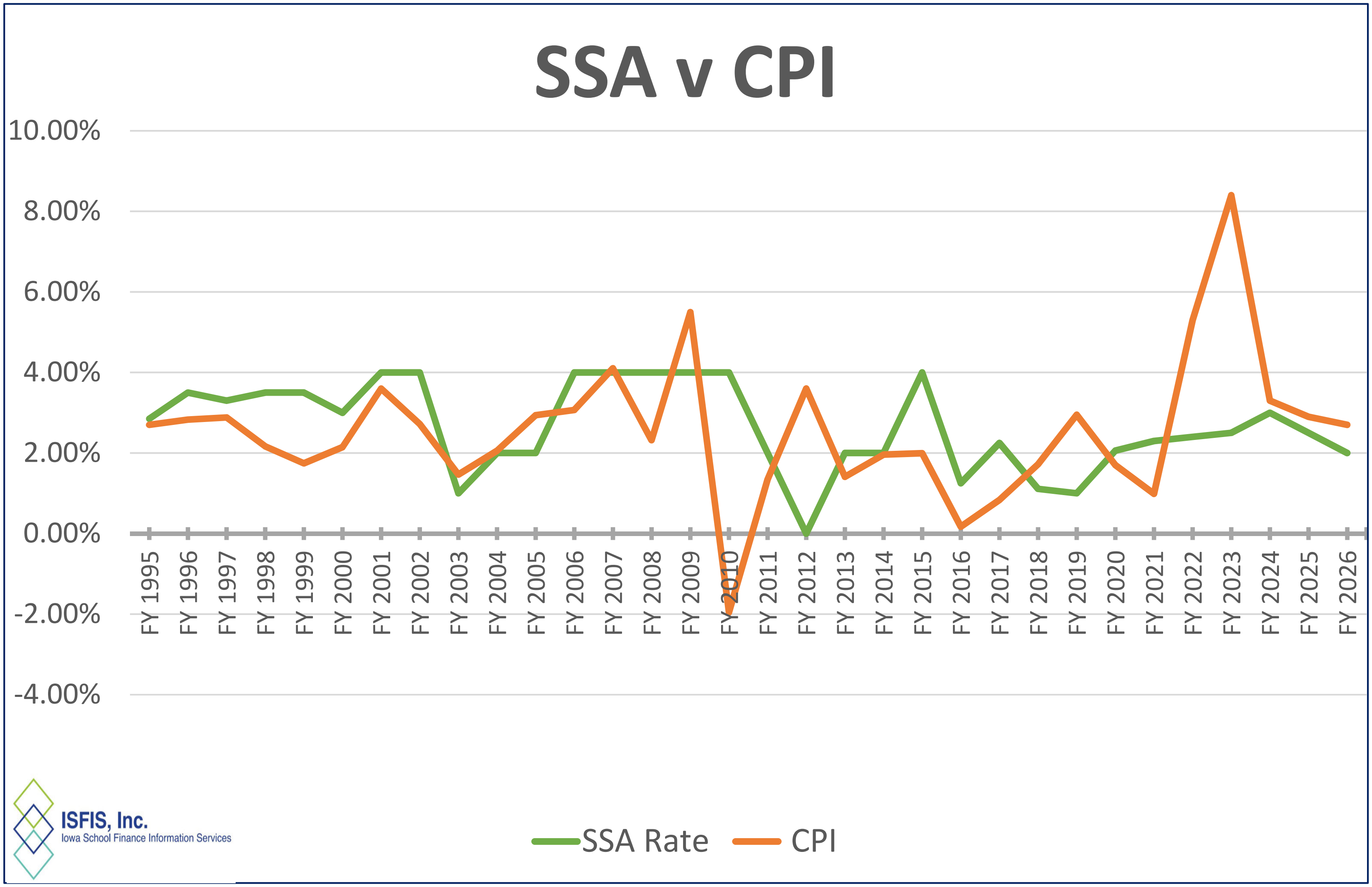
SSA, Formula Equity, Operational Sharing, Adequate Funding, Teacher Pay, Local Control and State Mandates

SSA and Funding Status

- SSA of 2% for 2025-26, including 2% increase in categoricals. Impacts all weightings, DoP, PK and ESAs.
- TSS for teacher pay minimums grew by $48.9 million (total state funding increased by $109 million, of which TSS was 45%.)
- $5 PP to close the gap in DCPP and SCPP - closes the gap to $135 per pupil. New minimum SCPP $7,998 which is an increase of $162 per pupil for those at the minimum. District's with DCPP above $157 trade property tax authority for state aid for that $5 PP.
- 5% increase in transportation equity ($32.7 M total)
- Increases the operational sharing cap to 25 students (was 21 students. Note: college and career counselor is outside of the cap.



Ken's footnotes:

- Source data: BLS CPI-U
- CPI figures are based on a school's fiscal year (July-June), not calendar year to better align the data.
- Recent data (like the CPI for 2024, 2025, and 2026) can be revised by the BLS
- Does not include TSS or transportation equity in this comparison.

In this 30-year history, SSA was greater than CPI 18 times, lower than CPI 13 times. Recently, in 7 of the last 10 years, SSA percentage was below CPI.

Teacher Shortage Priority

- **HF 787 TSS calculation** + SSA Growth + error correction for experience, but also includes:
  - TeachIowa Job Posting Platform Resurrected
  - $50K for returning IPERS recipient retirees
  - Flexibility for student teaching for apprentice or other teachers with classroom experience
  - Out-of-state placement excess costs shared across the system
- **SF 206 Management Fund for Recruitment and Retention** program died in Senate W&M

Board Authority/Local Control

Enacted Bills:

HF 392 Year-Round School Calendar for grades 9-12 on the Senate Calendar (or entire districts, since K-8 already allowed).

HF 395 School Bus Driver Training: requires DE to accept proof of successful completion of entry-level driver training (ELDT) as long as the course included passenger endorsement training and school bus endorsement training curriculum. Requires DE and DOT to collaborate on administrative rules establishing minimum course requirements and standards. (Effective Jan. 2026)

Alive for 2026:

HSB 31 [awaiting new ##] School Start Date & SF 205: bills that would have expanded flexibility died, approved by their respective Education Committees 22:0 in House and 16:0 in Senate, but no further.

HF 579 At-Risk/ Dropout Prevention: Allows increase in cap gradually up to 5% if approved by voters, adding ½% annually. Approved by House. Died in the Senate Education Committee.

Operational Sharing Changes

- **SF 168** 3 positions outside of the cap (SRO, MH, SW). (Died Senate Calendar)
- **HF 515** SRO at 4 pupil weighting instead of 2. (Died in Senate Education Committee)

Board Authority/Local Control

Enacted Bills:

SF 277 Chronic Absenteeism Clean-up: Fixes certified letter issue, clarifies exceptions, has model policies for county attorneys, allows district discretion on school engagement meetings (focus on students for whom absences are impacting achievement).

Alive for 2026:

SF 444 WGS/Reorganization Extension through 2030: Exempt from the funnel (appropriations impact). Updated in the Property Tax Overhaul bills, so it's on their radar. (Died without action on the Senate Calendar)

Governor’s Initiatives

Enacted:

SF 22 Cell Phone Restrictions: local board policy to restrict student access to cell phones during instructional time.

HF 784 Math Initiative: New math state plan. Requires schools to create individual math plans for students nonproficient on at least two of those three screeners. Requires progress monitoring every 2 weeks and defines prescriptive interventions for K-6 students until the student is proficient. Requires the DE to provide PD to improve math instruction for schools with student proficiency needs. (Unfunded mandate)

Alive for 2026:

SF 445 & HF 623 PK/CC Partnership: allows new community-based providers of four-year-old PK to directly participate in the SVPP w/o school district partnership. *Provides funding for these community-based provider programs in the first year of operation based on enrollment.* Transfers responsibilities from the child development coordinating council to the DE. Establishes a pilot program for child care continuum partnership grants operated by the DHHS. Senate passed the bill, but the House did not take it up (was approved by House HHS Committee and died on the House Calendar.)

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Property Tax Reform

Property Tax Reform/Relief

- Legislation must address one of the three inputs to make meaningful change.
- 2025 Legislative Proposals attempted to do all three:
  - Levy limits
  - Valuation growth limits
  - Rate limits
- Changing one moving part in the engine at a time is much easier to predict outcome. Changing 3 moving parts simultaneously over a dozen taxing authorities and 10,000 taxing jurisdictions makes it very hard to predict outcomes.

PTR Round III SF 651 (alive for 2026)

- Phases out rollbacks over 10 years.
- Sets homestead exemption of 25% but not to exceed $125,000 (plus other exemptions)
- Rate reductions would have kicked in July 1, 2026.
- Limits City/County Valuation growth, but allows more if inflation (CPI-U) is higher. Defines new construction and adds value of new construction above the 2% limit. *This has less impact on schools.*
- Eliminates wind rollback (taxed on 0-25% of net acquisition cost for 6 years, then at 30% going forward.) Will jump to 100%.

PTR Round III SF 651

Impact on school bonding/infrastructure capacity:

- Limits PPEL/Debt levy rates to 70% of existing rates beginning July 1, 2026.
  - BPPEL set at 24 cents per $1,000
  - VPPEL set at $1.18 per $1,000
  - Bond issue thresholds: $1.89 and $2.84
  - Specifies that levies approved before July 1, 2026 are subject to these rates.
- Allows school board resolution by April 30 preceding the budget year if debt obligation is due or refinanced.
- Limits ability to tax for the school district's management fund based on a carry-forward threshold exceeding 180% prior three year's expenses (beginning FY 2027).
- Uses PTER diversion to help pay for state cost of 100% Foundation Threshold, so it's a shift from current property tax relief.

SF 651 More Details Impacting School Tax Rates/Funding Formula

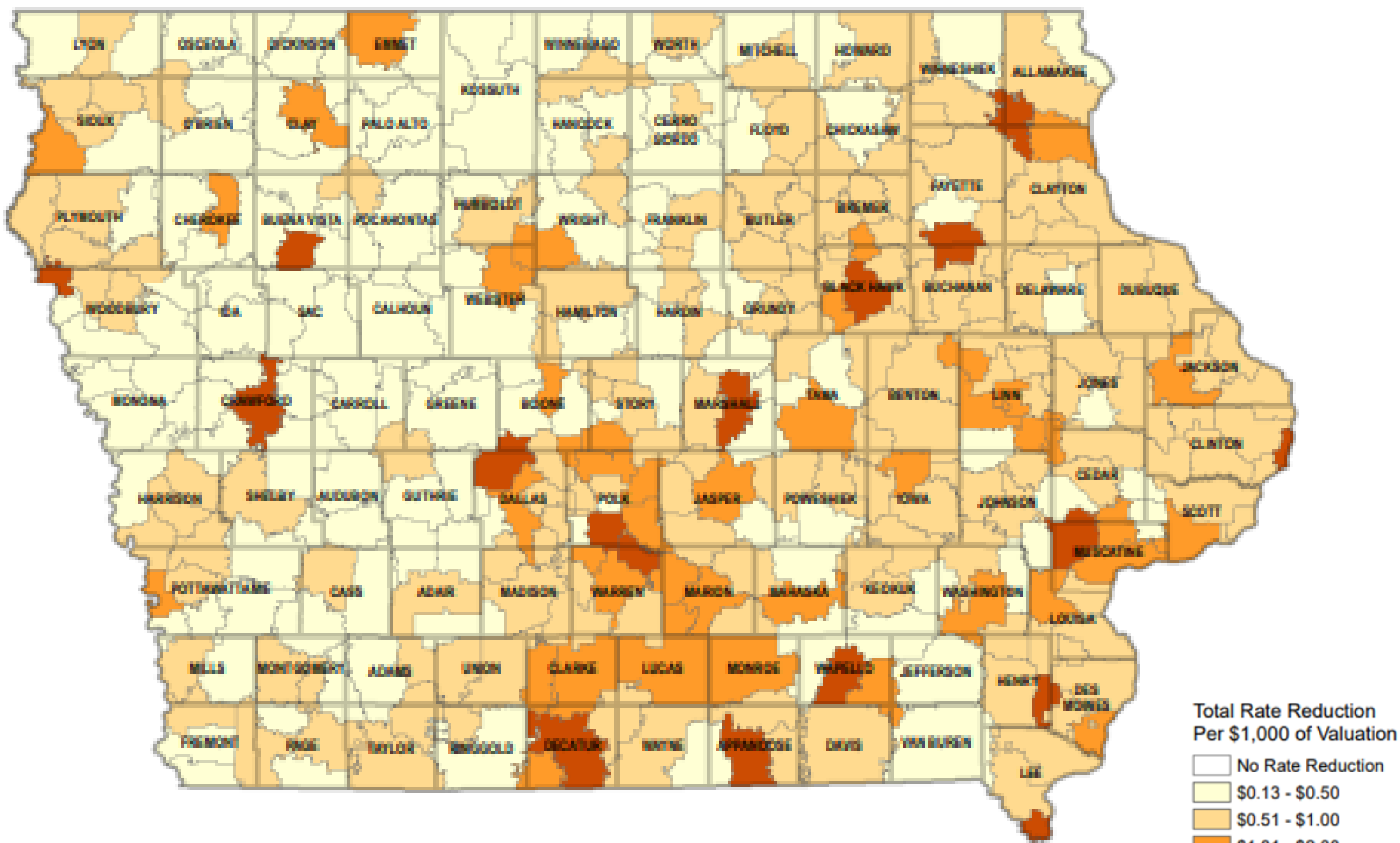
- Adds Education Services and Media Services property tax amounts to combined district cost (becomes state aid) Combined $68 million in PTR statewide FY 2025 dollars.
- Lowers school formula levies:
  - Regular and special education foundation bases set at 100% (eliminates the formula portion of the additional levy)
  - Sets uniform foundation levy at $4.48662 per $1,000 taxable valuation

Impact Question

- How much more school funding burden can the state assume while lowering income taxes?
- How does continued low increase (or no increase) in per pupil funding impact school district’s ability to pay for and retain staff, provide engaging programs for students, implement Governor’s Priorities (literacy plan, math plan, future ready workforce/CTE/work-based learning?)
- How will lower PPEL, Bond and Management fund capacity impact your district?

LSA Factbook
https://www.legis.iowa.gov/docs/publications/FCTA/1460496.pdf

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



Note: Property tax rate reduction amounts are expressed in dollars per $1,000 of taxable valuations. Total property tax relief aid includes provisions from the 1992 property tax adjustment aid, adjusted additional property tax levy aid, and the property tax replacement payment (PTRP).

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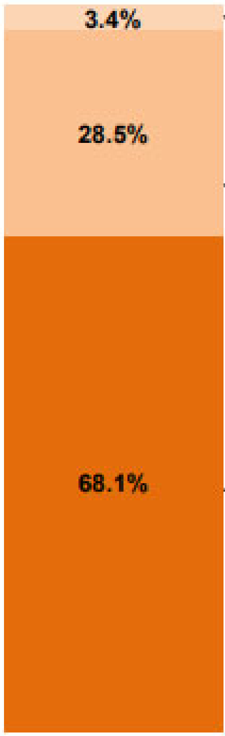
Total Funding Percentages



The property tax adjustment aid (1992 provision) was originally implemented in FY 1992 to help ease property tax burdens with the implementation of the revised school aid formula. The aid provision has a gradual phase-out with an undetermined completion date. A total of 85.2% of districts receive this aid. In FY 2025, the total cost of this provision is $6.4 million.

The adjusted additional property tax levy aid provides property tax relief to school districts with high adjusted additional property tax rates. If funding is sufficient, the provision provides aid to districts up to the statewide average rate, and any remaining funds are used to increase the foundation level for that fiscal year. Funding includes a $24.0 million General Fund appropriation built into the school aid formula and 6.1% of the total amount collected from the Secure an Advanced Vision for Education (SAVE) Fund, which is deposited in the Property Tax Equity and Relief (PTER) Fund. A total of 35.1% of districts receive this aid. In FY 2025, this provision will provide $53.0 million in property tax relief.

The PTRP provides State aid for the property tax portion of the increase in the cost per pupil resulting from the establishment of the State percent of growth in FY 2014 through FY 2020. The amount currently shown reflects the amount of aid for FY 2025. All districts receive this aid. In FY 2025, this provision will generate $126.8 million in additional levy funding replacement.

Total Rate Reduction Per $1,000 of Valuation

- No Rate Reduction
- $0.13 - $0.50
- $0.51 - $1.00
- $1.01 - $2.00
- $2.01 - $3.89

$0.74

Statewide Average Rate Reduction Per $1,000 of Valuation

$186.2M

Total Property Tax Relief Aid FY 2025

Sources: Department of Management, LSA calculations

LSA Staff Contact: Ron Robinson (515.281.6256) ron.robinson@legis.iowa.gov

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Economic Efficiency of Property Taxation

- A 1 percentage point shift from income taxes to sales taxes improves GDP by 0.74%, while shifting to property taxes **increases GDP by 1.45%**

  ~ Arnold, Brys, Heady, Johansson, Schwellnus, & Vartia, *Economic Journal*

- Gross state product **decreases by 2.8%** when the income tax replaces the property tax, while household income **declines by 3.47%**

  ~ Faulk, Thairprasert, & Hicks, Ball State working paper

- While a 1 percentage point higher rate on *personal* property reduces annual employment growth by 2.44%, higher *real* property taxes actually correspond to **modestly increased rates of employment growth**, likely because the business benefits of higher local spending are greater than the additional tax costs

  ~ Mark, McGuire, & Papke, *National Tax Journal*

Abir Mandal, Tax Foundation presentation to TACI,
amandal@taxfoundation.org

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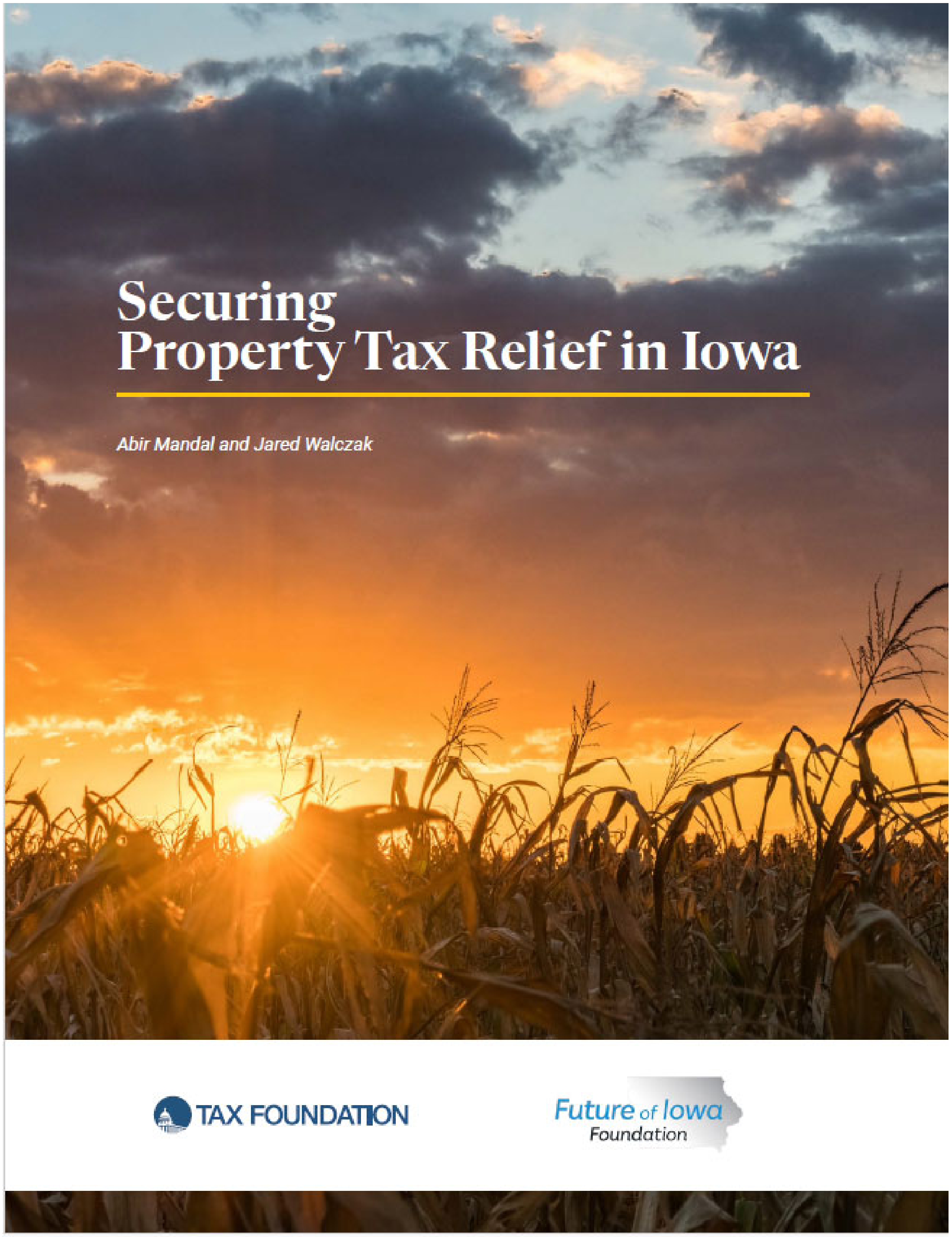
Tax Foundation Study of Iowa Property Taxes

https://taxfoundation.org/wp-content/uploads/2025/03/Iowa2025_3-24-1.pdf



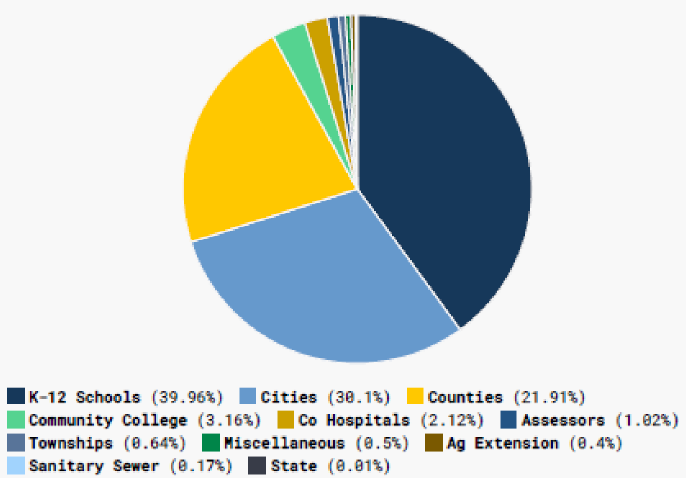
- Commissioned by Iowa Taxpayers Association
- Shows some Iowa comparisons to other places
- Has some good recommendations
- Seems to observe more about city and county property taxes than school property taxes
- Dr. Abir Mandal was at a Taxpayer Association of Central Iowa (TACI) meeting on May 14 and Shared some recommendations seen in the report (used as basis for new RSAI priority on PTR)

Why Property Taxes?

Property taxes play a crucial role in funding local government in Iowa and across the country, generating revenue for schools and community colleges, local roads, local law enforcement, county hospitals, and other local government services.

Figure 1.

Share of Iowa Property Tax Levies



Source: Iowa Department of Management.

TAX FOUNDATION

"Nevertheless, property taxes are virtually no one's idea of a popular tax—unless you manage to only survey economists. It's worth asking why public finance experts appreciate the property tax when so many taxpayers viscerally dislike it, as it can help inform options for property tax relief. The basic case for property taxes rests on the following premises, which are well-supported by the economic literature:"

1. Property taxes are better for economic growth than are sales taxes or, especially, income taxes.

2. Property taxes have less of an effect on decision-making—including location decisions—than most other taxes. There's broad consensus it's better to leave most individual and business decisions to the market/private realm.

3. Property taxes roughly align with the benefits that property owners receive from local services, making them more equitable than the alternatives.

4. Property taxes are highly transparent and correlate strongly with services that enhance property value and utility, making them unusually sensitive to local preferences on government size and scope.

Inflation vs. Property Tax Growth per Tax Foundation Study

- Property taxes comprise roughly a quarter of Iowa's total tax burden. Between 2018 and 2024, **taxable assessed values** have grown from $160 billion to $202 billion, **an increase of nearly 27% over six years**, or an average annual growth rate of approximately 4.44%. And the increase would have been much higher absent Iowa's rollback system, which discounts the market value for tax purposes. **Actual home prices in Iowa increased by 52%** in nominal terms since 2018, while nationally, home prices soared by 69%.

- Over the same period, taxes levied on these properties increased from $4.91 billion to $5.99 billion (not including special districts and assessments), a growth of 21.97%, at an average of 3.66%.

- **Notably, adjusting for inflation, this represents a *decline* in property tax collections: on an inflation-adjusted basis, Iowa would expect to have collected about $6.25 billion in 2024 to remain level with 2018. It did not.** And if that were the end of the story, Iowans would have reason to cheer.

- Tax growth varied widely, from negative in a few counties to nearly doubling in others, indicating diverse local policies or economic conditions.

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2026 Session Legislative Changes

Leadership

Leaders of the Iowa Senate and House of Representatives (2003-present).

General Assembly: 91 (01/13/2025 - 01/10/2027)

Senate

President: Amy Sinclair
President Pro Tempore: Ken Rozenboom
Majority Leader: Mike Klimesh
Assistant Majority Leader: Adrian Dickey
Assistant Majority Leader: Lynn Evans
Assistant Majority Leader: Carrie Koelker
Assistant Majority Leader: Tim Kraayenbrink
Democratic Leader: Janice Weiner
Democratic Whip: William A. Dotzler Jr.
Assistant Democratic Leader: Claire Celsi
Assistant Democratic Leader: Molly Donahue
Assistant Democratic Leader: Izaah Knox
Assistant Democratic Leader: Cindy Winckler

Former Senate Leaders

Majority Leader: Jack Whitver (01/13/2025 - 09/23/2025)
Majority Whip: Mike Klimesh (01/13/2025 - 09/23/2025)

Leadership

Leaders of the Iowa Senate and House of Representatives (2003-present).

General Assembly: 91 (01/13/2025 - 01/10/2027)

House

Speaker:	Pat Grassley
Speaker Pro Tempore:	John H. Wills
Majority Leader:	Bobby Kaufmann
Majority Whip:	Henry Stone
Assistant Majority Leader:	Jon Dunwell
Assistant Majority Leader:	Heather Hora
Assistant Majority Leader:	Craig P. Johnson
Assistant Majority Leader:	Brent Siegrist
Minority Leader:	Brian Meyer
Minority Whip:	Sean Bagniewski
Assistant Minority Leader:	Austin Baeth
Assistant Minority Leader:	Heather Matson
Assistant Minority Leader:	Ross Wilburn
Assistant Minority Leader:	Elizabeth Wilson

Former House Leaders

Majority Leader:	Matt W. Windschitl (01/13/2025 - 08/03/2025)
Minority Leader:	Jennifer Konfrst (01/13/2025 - 05/14/2025)
Minority Whip:	Brian Meyer (01/13/2025 - 05/14/2025)
Assistant Minority Leader:	Sean Bagniewski (01/13/2025 - 08/03/2025)

Other Changes

- Rep. Mike Sexton appointed as Dir. Iowa USDA Rural Development office. Special Election for House #7 on Dec. 9
- Sen. Claire Celsi entered hospice care on Sept. 18, no longer receiving curative treatment for an undisclosed illness.
- Rep. Catelyn Drey won a special election from Woodbury County
- Rep. Blaine Watkins won a special election from Lee County.

Also running for higher office:

- Rep. Lyndsay James for Congress.
- Sen. Sarah Trone-Garriott for Congress (term ends 2029)
- Rep. Matt Windschitle for Congress.
- Sen. Mike Bousselot running for Governor?
- Sen. Charlie McClintock running for Congress.
- Congressman Randy Feenstra running for Governor.
- Rep. Eddie Andrews running for Governor.
- Gov. Reynolds is not running for Governor.

Impacts: Shifting of leaders in the room to make decisions. Candidates must win a primary (June 2026) before getting on the General Election ballot (Nov. 2026).

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Preparing for RSAI Annual Meeting Discussion: Advocacy Actions that Work

Table Discussions during Annual Meeting

Sharing examples of advocacy actions.

- How do school leaders in your area connect with legislators?
- What things have you found successful?
- What things have your tried that didn’t work?
- Come ready to talk about building relationships for the long haul and coalition building with people who care and organizations that care about educating Iowa’s rural students.

State Penny Success from Advocacy Action

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

Distribute district specific data* impacting taxpayers and infrastructure revenues to board and school leaders.

School board passes resolution* in support of state penny extension. Shares successes of prior investments and communicates about unmet and ongoing needs.

If media publishes, send copy to legislators.

Respond with letter to the editor.

Every official action is a media moment.

Send copy of board resolution to media with a press release.

Send a copy of the resolution to legislators.

Meet with other stakeholder groups. Ask for them to pass a resolution* and/or network with legislators

Meet with legislators to explain the issue and get commitment to cosponsor or support

If yes, send a thank you note and press release *

If unsure, ask what concerns or questions remain?

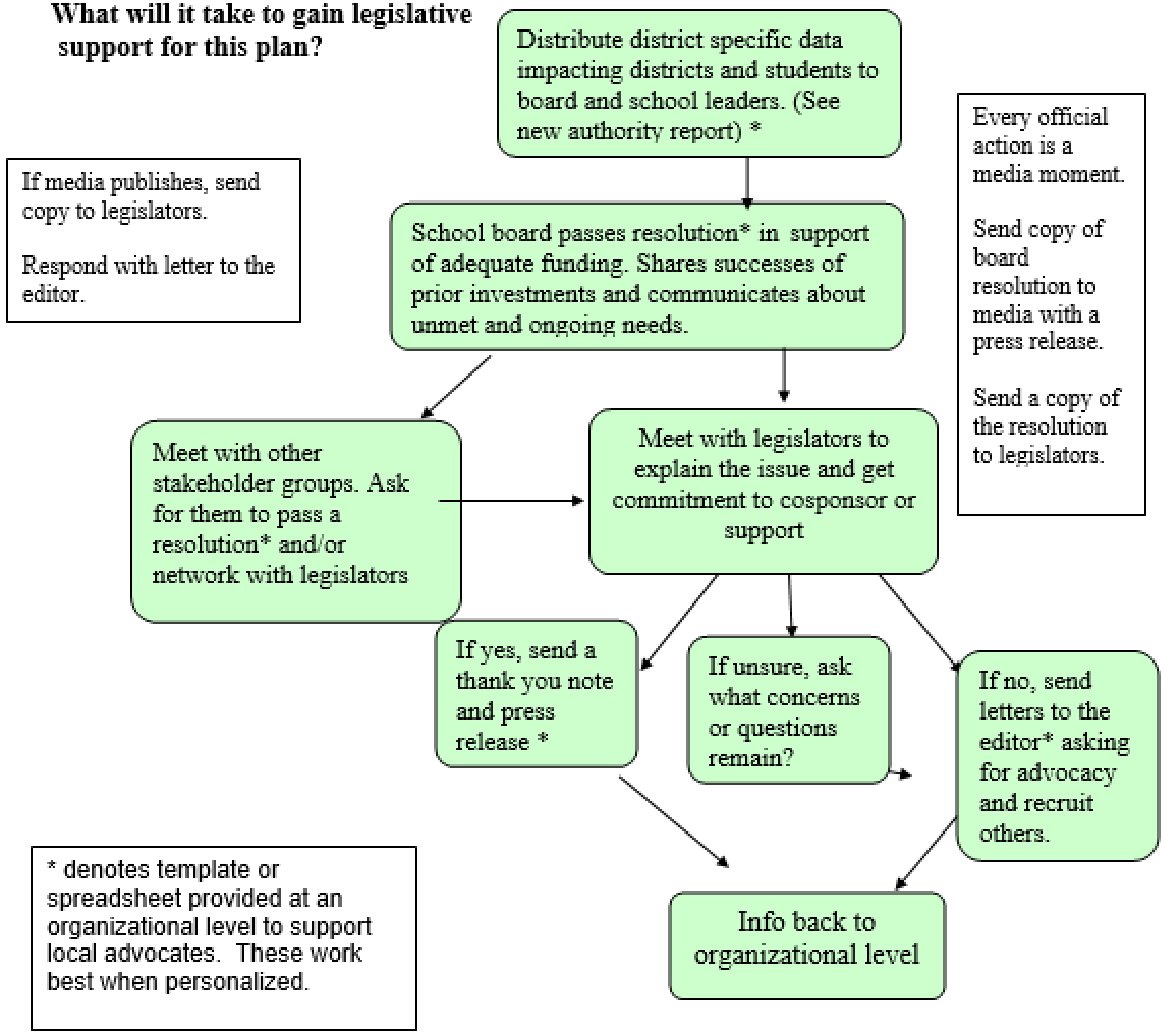
If no, send letters to the editor* asking for advocacy and recruit others.

Info back to organizational level

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

Advocacy Actions to Support School Funding

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



Good Advocacy/Lobbying is Gentle Persuasion Applied Relentlessly.

Use every opportunity to share information along the way.

Unfilled positions?
Lack of TSS to provide salary compaction.
Lost a teacher to private business or left the state.
Decision to combine classes because of no teacher = increase class size.

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Interim Advocacy Actions

Interim Advocacy Actions

- **Show & Tell With Legislators** (joint effort of RSAI & SAI)
  - Show & Tell With Legislators - Planning Resource
  - Samples
  - Reporting Form
- **Share celebrations:** student received math star award? School received blue ribbon school status or improved literacy, math or science achievement, teacher was recognized, etc. What good things are happening? Share clippings from newspapers and keep policy makers in the loop.
- **Local Forum:** have a meeting with school leaders and legislators before November. Share questions in advance. Keep it civil. Be grateful. Let them know what students need them to do. Assign follow-up special outreach.

Interim Advocacy Actions

- Review Success List and send thank you or mention at the meeting to incumbents
- Share implementation successes (attendance policy is helping, especially now without the cost of the certified letter.)
- Share implementation challenges (problems with DHHS investigation of employee abuse of students or lack of civics test for students in class right now.)
- Use every opportunity to educate about the cadence of the school year – ask for delayed implementation of mandates (and thank them when they were able to do that!)

Interim Advocacy Actions

- **Property Tax Relief in Particular**
  - Share results of PPEL or bond issue votes – find other measures of community support for schools.
  - Ask questions – how do you know the impact? What will these changes cost the state general fund? Will all property taxpayers see savings?
  - Hail storm or litigation award? Explain why management fund balance is necessary and expenditures are lumpy (not linear).
  - Show them a property tax statement and review why it is both wrong and confusing – Iowans for Tax Relief, the Tax Foundation, Americans for Prosperity, RSAI, IASB, SAI and UEN all for the same thing? See HSB 228 Reps. Bloomingdale, McBurney, and Meggers.
  - Tie property tax impacts to students – what will these changes means for infrastructure (school safety or up-to-date science labs or CTE equipment?)

Interim Advocacy Actions

- **Teacher Shortage and School Funding in Particular**
  - Once your enrollment count is done, start thinking about impacts of various rates of SSA on your next year (and subsequent year) budget.
  - If enrollment is down, be thinking ahead about TSS impact, which is also based on enrollment. How will TSS reductions position your district to pay higher salary minimums?
  - Share details about unfilled positions, workarounds necessary to keep a vast offering of courses, special education staffing, CTE, music, world language, EL or other shortage positions.
  - Reach out about salary compaction. What happens if teachers must remain at a fixed salary for 12 years after starting (especially if neighboring districts or private businesses are willing to pay more?)
  - What does staff shortage or low funding mean for students?

Interim Advocacy Actions

- **Preschool in particular**
  - Look at your literacy data – does your district show that students with quality PK read better down the road?
  - Return on investment – investing $1 in PK nets $22 in government expenditure savings/increased tax revenue down the road (e.g., look at your district data – research shows quality PK means a student is 50% less likely to need special education services)
  - If there are barriers for some students to be in half-day PK programs, districts should have the authority (and associated funding) to provide full day programs.

Annual Meeting and After

- Come to the meeting ready to network and engage
- Listen during the meeting for quotable moments, so you can share with media or stakeholders after the meeting.
- Your packet will have a sample press release template (in word doc via email so you can update with district specific information and quotes.)
- Think of media as a megaphone – will spread the word with one article. Respond the next week with a letter to the editor about what the issue means to your students. Keep it going to further amplify.

THANK YOU FOR YOUR VOICE on behalf of rural students!

- Stay connected through the Interim
- Let us know what you need to beef up your advocacy efforts.
- See you NEXT THURSDAY at 4:30 at the RSAI Annual Meeting!
- (***New Location – Solution Tree Training Center!!!!!***)

Professional Advocate
Margaret Buckton, margaret@iowaschoolfinance.com
1201 63rd Street, Des Moines, IA 50311 (515) 201-3755 cell

Grassroots Advocate
Dave Daughton, dave.daughton@rsaia.org
(641) 344-5205