

School Choice is Done: Takeaways. . .

- Remain positive. The vast majority of Iowans support public schools. Tens of thousands of voters contacted legislators. Many said no to vouchers, but also said to adequately fund our public schools.
- Operational Sharing Incentives are extended through 2035. Categorical funds for every student with an ESA will stay with the resident district (FY 2024-25 budget impact).
- Guidance and rules are pending. DE will provide guidance soon and we will have more details about the TLC flexibility, oversight of the education savings account and transitions between public schools and private schools.
- The school funding formula still has the delay on enrollment count and the budget guarantee. Both serve to protect against unanticipated declines in enrollment.

Sets up School Funding Next: See the [RSAI Call to Action, Jan. 27](#). Republicans in the House and Senate both suggested that the financial position of the state is strong. February 10th is the 30-day deadline for SSA to be set.

- Republican newsletters described their budget projections which show the ESA investment is sustainable, assumptions of 2.5% SSA and still, significant anticipated ending balances for FY 2029.
"Another item that has to be factored in is the growth in the school finance formula, known as supplemental state aid (SSA). This is projected to be 2.5% annually. Additional expenditure growth in other programs is factored in as well. This results in expecting annual spending growth over the next five years to average out to 2.99%. *Is that reasonable?* Between FY 2019 and 2023, annual spending growth averaged out at 2.5%. That means projected spending growth just under 3 percent after adding a new program is entirely consistent with past budgets. *Does this mean the state will have no margin for error in the next few years for things like a recession?* Absolutely not. Going into the 2023 legislative session the state's reserve funds were completely full at almost \$900 million, and the Taxpayer Relief Fund had \$2.7 billion in its account. By maintaining the policy of spending less than the state takes in the state's ending balance at the end of FY 2029 is expected to be \$3.5 billion under this forecast while the Taxpayer Relief Fund grows to \$3.7 billion. That is a sizeable cushion."
- Questions for legislators: Why is \$3.5 Billion in ending balance the goal? Why not 4% SSA and \$3.2 Billion in ending balance?
- Target advocacy in the Iowa House and keep it up until SSA is done.

Flexibility: **SSB 1076** includes Chapter 12 educational standards and other flexibility. Check out the [Jan. 26 RSAI Weekly Report](#) for a bill summary. RSAI is registered in support.

Thanks for all you do for your students and communities!