



## RSAl Legislative Update Jan. 28, 2016

These updates are posted on the RSAl legislative web page at <http://www.rsaia.org/legislative.html>. The following provides analysis of this week's statehouse action as the school funding debate takes center stage. Thanks for all you do to advocate for Iowa's children! [margaret.buckton@isfis.net](mailto:margaret.buckton@isfis.net)

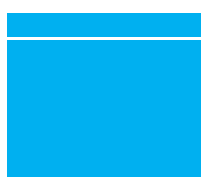
**School Funding SSA Action:** SF 174 and SF 175 were sent to the House from the Senate last session on Feb 5, 2015. The bills originally set the increase in the state per pupil cost and categorical funds at 4%. House members amended the bills to 2%, with the Democrats and Rep. Moore voting against the amendment. RSAl is registered opposed to the bills at the 2% level and supportive of the 4%. The Senate refused to concur in the amendment, the House insisted, sending the bill to conference committee to resolve their differences. Conference committee appointees include: House conference committee appointed Jorgensen, Dolecheck, Stanerson, Ruff, and Winckler. Senate conference committee appointed Bowman, Dvorsky, Quirnbach, Kraayenbrink, and Sinclair. The conference committee met Thursday, approved rules of operation, and elected co-chairs.

Messages to House and Senate, both sides of the aisle, now through Tuesday, regarding the need for adequate and timely funding, are encouraged. Key talking points:

- Thanks for getting the school funding discussion started early in Session. Keep at it ☺
- Thanks to the Senate for introducing bills at 4% for FY 2018.
- Five of the last six years have included per pupil increases below the cost of doing the business of schools. A 2% increase would extend that track record to 6 out of 7.
- Districts with declining enrollment are even worse off, having to make more program and staff reductions to live within tighter constraints.
- In the last five years, state net revenue growth has averaged 4.1% while the cost per pupil growth has averaged 2.0%. Add on the current year 1.25% increase in per pupil cost and 3.3% REC estimate and that spread continues: six year average SSA is 1.87% and state net revenue growth is 3.9%. Schools haven't experienced the economic recovery that the state has enjoyed.
- To put students and opportunities first, we need adequate, predictable and timely funding.

**SAVE, State Penny, Transportation and Equity:** Rep. Jorgensen requested two bills which are now assigned to the House Education Committee, regarding extending the sunset of the state penny, limiting growth in the state penny for school infrastructure and redirecting funds to transportation or formula equity. Rep. Sands has introduced a bill to cap the growth in SAVE for infrastructure, direct funds to property tax relief, and require a 60% super majority approval of a revenue purpose statement for any project over \$1.0 million. We are still waiting for bills in the House and Senate regarding transportation equity and Rep. Winckler et al regarding district cost per pupil budget adjustment. Many of these are being drafted and those that have just been introduced are complicated. We will provide a thorough analysis and comparison soon, so stay tuned.

**House Passes Federal Tax Coupling Bill:** [HF 2092](#) passed on an 82-14 vote. The bill updates the Iowa Code by coupling with changes to the federal Internal Revenue Code, including section 179 expensing, the research and development credit and other credits. The bill would cost the state an estimated \$97 million in FY 2016, with about \$67 million of that due to the section 179 expensing. The bill would also increase state collection in years after FY 2016 because of federal deductibility (although the federal deductibility provisions would happen naturally without Iowa legislation required.) Iowa taxpayers can deduct federal taxes from their Iowa taxes, so a reduction in federal liability leads to a smaller deduction from state taxes, and thus higher state tax collections. The bill, if signed into law, would reduce the ending balance for FY 2016. Governor Branstad did not include federal coupling in his budget for the tax year 2015 because of the impact to the state budget. He supports returning to coupling with most of the federal deductions for the 2016 tax year, except for section 179 expensing. RSAl is registered opposed to the bill.



**Subcommittee Action:**

**SF 2011 ELL/PK:** This bill provides weighting for non-English speaking four-year-olds in preschool. Subcommittee members of Mathis and Hart signed the report to move the bill to committee.

**HF 2009 DE Handbook of Options for Parents:** This bill would require the DE to compile and publish on their website and mail to parents a handbook of all educational options (in English and Spanish) of all children between 5 and 21 who have not yet graduated. The educational options described include at least public school districts, open enrollment, charter schools, private schools, private instruction, dual enrollment, school tuition organizations, and the senior year plus program. The DE estimate a cost of between \$1.2 and \$3 million. The Subcommittee members decided not to move the bill forward.

**SSB 3064 and SSB 3035 SSA for FY 2018:** These bills set the FY 2018 state cost per pupil and categorical cost per pupil increase at 4%. The Subcommittee met Jan. 28 and Sens. Quirnbach and Schoenjahn signed the report, anticipating the bills would be debated in the House Education Committee on Tuesday.

***Thank you for all of your advocacy and support this Legislative Session!*** We will report further action when it happens, including Governor's approval and vetoes during the next 95 days (and longer if recent history repeats itself). In the meantime, keep advocating for the students in your schools!

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