**RSAI Legislative Update
Feb. 8, 2018**

These updates are posted on the RSAI legislative web page, along with the weekly Capitol Recap Video, at <http://www.rsaia.org/legislative.html>.

This update includes news about school funding bills setting SSA at 1%, new transportation bills and Senate’s attempt to amend transportation and formula equity onto the SSA bill, the SAVE extension bill is introduced in the House, an Education Savings Account/Charter School bill is introduced, update on operational sharing and finally, the list of bills receiving forward motion. The senate debates the FY 2018 Deappropriations bill, which spared PK-12 education. Thanks for all you do to advocate for Iowa’s children. margaret@iowaschoolfinance.net

**SSA:** The House and Senate acted on SSA this week, setting the FY 2019 state cost per pupil increase at 1%, including an increase of 1% for categorical funds and continuing the practice of the state assuming what would otherwise be the property tax contribution to the growth. The House sent [HF 2230](https://www.legis.iowa.gov/legislation/BillBook?ba=HF%202230&ga=87), with 1%, over to the Senate on Wednesday. The Senate amended the bill by adding the first year phase-in of transportation and formula equity (SF 455) increasing the level of funding by $14 million and sent it back. This morning, the House refused to concur in the Senate amendment, sending the bill back to the Senate. The Senate adjourned until Monday. The rate is required to be set within 30 days of the release of the Governor’s budget, which is Feb 8 (today). The 1% is estimated to provide $32 million in state funds, assuming continuation of the $15 million cut to AEAs. This is lower than the Governor’s budget recommendation, which was 1.5% or $54 million. Impact on schools:

* Sets the state cost per pupil of $6,731, an increase of $67 per student.
* Subjects 183 school districts to the 101% budget guarantee. 103 districts will experience a net reduction in funds available compared to FY 2018.
* The property tax relief payment (the amount that would be paid by property taxes if the normal working of the formula was not interrupted) costs the state $91 per student for a total of $52 million.
* The increased employer share of IPERS uses just over half of the per pupil increase statewide, leaving just under one half of one percent in real new authority for staff, technology, textbooks, transportation, utilities, insurance, program and course costs.
* School districts typically experience around a 3% increase in the costs of doing the business of school, assuming no change in enrollment, before applying the required IPERS cost increase.
* Find the impact of 1% on your district with the ISFIS [FY2018 New Authority Report](http://www.iowaschoolfinance.com/system/files/members/Excel/New%20Authority%20Report%20FY%202019%201%25.xlsx)

RSAI is registered as undecided on this level of funding, with school leaders grateful to have been spared in the deappropriations process, but still acknowledging that continued consecutive years of low funding increases are disappointing and more difficult to implement every year. Certainly, the addition of the first year of transportation and formula equality by the Senate is appreciated. See the impact of that equity piece on the RSAI web site [SF 455 Impact Look-up Tool Transportation Equity](http://nebula.wsimg.com/016771a592399e96fe87ac6d4f7d2cc6?AccessKeyId=D081CCCCA2DCE3941176&disposition=0&alloworigin=1) which shows you the impact of the first year, directly applicable to this amendment. [SF 455 Impact Look-up Tool Formula Equality](http://nebula.wsimg.com/7bfa86a2d5b7fb558662e4563cd733f2?AccessKeyId=D081CCCCA2DCE3941176&disposition=0&alloworigin=1) shows you the full phased in impact of formula equality. For purposes of year one impact, consider $5 per pupil.

[SF 455 Formula and Transportation Equity](https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=sf455) is still in the House Appropriations Committee, but today they assigned a subcommittee of Reps. Rogers, Dolecheck and Winckler to consider the bill and set a subcommittee meeting for Monday. This bill, a priority for RSAI, provides a 10-year commitment to eliminate both inequities. Meanwhile, [HSB 646](https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=hsb646) Transportation Fund was introduced, with a subcommittee of Reps. Gassman, Jones and P. Miller. The bill sets up a process for the fund to receive appropriations and provides transportation expenditure relief to the districts with the highest transportation costs in the state. The bill does not include an appropriation. RSAI is registered as undecided, as this bill does not address formula equality.

See last week’s [Feb. 2 Report](http://nebula.wsimg.com/ddbaf7e9d0283642dce41289350ffa3a?AccessKeyId=D081CCCCA2DCE3941176&disposition=0&alloworigin=1) for explanations of the numbers discussed in the debate. $735 million increase in funding, 31% increase in funding, 13:1 student teacher ratio and Iowa 4th in the nation in education funding.

[**HSB 647**](https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=HSB%20647) **SAVE Extension:** This bill was introduced and assigned to the House Education Committee, with a subcommittee of Dolecheck, T. Moore, Bossman, Steckman and R. Smith. The bill does the following:

* Extends the SAVE/state penny for school infrastructure to 2050.
* Allows a maximum of 10% to be used for Property Tax Equity and Relief (PTER) fund purposes, phased in at 2% a year for each year in which sales tax revenues grow at least 2%; when fully phased in, it totals about $47 million for property tax equity. The PTER fund was created with the original SAVE bill in 2008 and buys down the highest additional school levies in the state for those school districts with the lowest property values supporting each student.
* Requires a public hearing for bonding using the sales tax revenue. If the public does not support the school board’s direction, there is a reverse referendum process, which sets a window of 14 days during which time citizens may attempt to collect signatures the greater of 100 or 30% of those voting in the last election required to call for a vote. This provision starts for bonds sold after July 1, 2018. RSAI would prefer the date to be 2029 or for intent to sell bonds anticipating the extension of revenue from 2029 through 2049.
* Increases the certificate of need threshold from a district with fewer than 250 students to districts with below 350 students, but adds a requirement that SBRC consider cost benefit of repairing existing facilities and impact on students. Note: all but one request for certificate off need has been granted by the DE/SBRC.
* Requires all revenue purpose statements to expire in 2023 (this cutoff data may be a problem as school districts may have bonded against this RPS and the legislature cannot impair private contracts – 2029 would be preferable).
* Requires public hearing and a reverse referendum (same process as above) on athletic facilities not connected to the school that are categorized as new construction. This does not include repair or maintenance of existing athletic facilities.

[**HF 633**](https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=hf633) **Operational Sharing**: this bill is still in the Senate Appropriations Committee. The bill was approved unanimously in the House last year. The bill removes the sunset from the operational sharing incentives law, removed the 5-year limitation on each sharing position, but does not change the 21-student limitation of maximum weighting a district may receive. RSAI is registered in favor of the bill and expects to see progress as soon as the legislature is finished with the FY 2018 Deappropriations action.

[**SF 2117**](https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=SF%202117) **Deappropriations for FY 2018:** It is important to keep in mind that other entities depending on state funding are well below appropriation levels in prior years, such as community colleges and regents’ institutions. So far, SF 2117 does not directly impact PK-12 school districts, but the DE is facing another cut, this time $1.7 million. SF 2117 was passed on party lines this afternoon in the Senate. [HSB 648](https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=HSB%20648), Deappropriations for FY 2018, was assigned to a subcommittee on Wednesday. The House version has less onerous reductions for regents’ universities and community colleges.

[**HSB 651**](https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=hsb651) **Education Savings Accounts bill Introduced:** this billcreates education savings accounts for nonpublic students, specifying that eligible students include those attending kindergarten for the first time, those who have attended public school in the previous two semesters, and those who have previously received a ESA grant. The amount of the grant includes 90% of the regular program district cost minus the average property tax share, including weighting for special education, ELL, etc., and the per pupil TSS, PD, EICS, TLC and AEA supplements (TSS, PD). The bill specifies allowable expenses and allows any balance remaining in the account to be used by the student for in-state college expenses until age 23. The bill prohibits the state or any agent of the state from exercising authority over any nonpublic school who receives tuition from an ESA. The bill also creates a charter school process with at least three models; a school board authorizing model, a school board/state board model and a founding group-state board model that does not include the local school board. The bill requires the regular program district cost plus many other funds follow the student to the charter school. A subcommittee of Rep. Rogers, Wheeler, Jones, Mascher and Nielsen has been assigned, with its first meeting scheduled for Tuesday, Feb. 13. RSAI Is registered opposed.

**Subcommittee and Committee Action:** Details and RSAI position follow.

[**SSB 3119**](https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=ssb3119) **Civics Exams:** This bill requires students to pass the civics exam required of individuals applying for US citizenship as a condition of graduation from high school. The bill allows students to start taking the test in 7th grade. RSAI is registered opposed to this bill. We don’t support additional use of high stakes testing and believe that local leaders are in the best position to determine course content and assessment. Two members of the subcommittee sent this bill forward to committee, but it’s fate there is less certain.

[**HF 2072**](https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=HF%202072) **Operational Function Sharing for Social Workers:** this bill adds social workers to the list of positions that generate supplementary weighting if shared, but does not change the maximum cap of 21 students’ worth of weighting. RSAI is registered in favor of this bill. The bill was approved unanimously in the full education committee.

[**HF 2007**](https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=hf2007) **Eliminate Praxis for Teacher Prep Program Completion**: this bill eliminates the requirement that teachers achieve a score above the 25th percentile ranking nationally on the Praxis in order to complete their teacher preparation program. The bill was approved on party lines in the House Education Committee.

[**HSB 562**](https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=hsb562) **Timing of Expiration of New Teacher License:** This bill allows a new teacher license to expire at the end of the school year, rather than on the teacher’s birthdate as all other licenses are timed. The bill was unanimously approved by the House Education Committee and a new bill number will be assigned. RSAI is registered in favor. (companion to [SF 2130](https://www.legis.iowa.gov/legislation/BillBook?ba=SF%202130&ga=87)**)**

Subcommittee Survivors:

* [**SF 270**](https://www.legis.iowa.gov/legislation/BillBook?ba=SF270) **Diversity Plans/Open Enrollment:** this bill would prohibit the five districts with diversity plans from regulating open enrollment out of the district based on the diversity plan. Davenport, Des Moines, Waterloo, West Liberty and Postville are the five districts. The bill was approved by two of the subcommittee members and moves to the full Senate Education Committee. RSAI is registered opposed.
* [**HSB 573**](https://www.legis.iowa.gov/legislation/BillBook?ba=HSB573) **Civics Test Graduation Requirement:** this bill requires students to pass the civics exam required of individuals applying for US citizenship as a condition of graduation from high school. The bill allows students to start taking the test in 7th grade and requires the test be proctored. RSAI is registered opposed to this bill. School leaders do not support additional use of high stakes testing and believe that local leaders are in the best position to determine course content and assessment. The bill moves to the full House Education Committee where it’s fate is less certain.
* [**HSB 620**](https://www.legis.iowa.gov/legislation/BillBook?ba=HSB620) **Open Enrollment Funds:** this bill requires sending district to pay to receiving district the per student portion of TSS, PD, Early Intervention/class size (EIC), and the AEA TSS, PD and EIC funds as well. Since the AEA funds are pass through to the AEAs, we recommended deleting that provision from the bill. RSAI will provide more information to the subcommittee member before the bill is debated in the full Education Committee, since the costs per pupil for the categoricals are based on formulas that likely accounted for open enrollment when originally set. RSAI is registered opposed to the bill.
* [**SSB 3063**](https://www.legis.iowa.gov/legislation/BillBook?ba=SSB3063&ga=87) **Executive Branch Agency Rules:** this bill requires executive branch agencies, such as the DE and Department of Revenue, to follow statute, prohibits agencies from enforcing rules not grounded in statute, and changes the burden of proof to be on the agency to demonstrate they have the authority for the rules they wish to enforce. RSAI is registered in support.
* [**SF 321**](https://www.google.com/url?q=https%3A%2F%2Fwww.legis.iowa.gov%2Flegislation%2FBillBook%3Fga%3D87%26ba%3DSF321&sa=D&usd=2&usg=AFQjCNF5nao_hl0rrBs_sIRvGzvsSOUj3Q) **Boundary Changes:** this bill specifies procedures for boundary changes involving the severance from and attachment of territory to a school district by petition and election. RSAI is opposed. The bill moves to the full Senate Education Committee.
* [**SF 2160**](https://www.google.com/url?q=https%3A%2F%2Fwww.legis.iowa.gov%2Flegislation%2FBillBook%3Fga%3D87%26ba%3DSF2160&sa=D&usd=2&usg=AFQjCNFz3J6FRZp2n6XQrLwMcBBoMI-Q6A) **DHS Hotline:** this bill requires public school districts to post the DSH child abuse hotline telephone number where it can be easily seen by students. RSAI is registered in support.
* [**SSB 3001**](https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=ssb3001) **DE Rules**: this bill requires the DE to include the statutory references in administrative rules from which they have the authority to promulgate the rules. RSAI is registered in favor.

[**SSB3093**](https://www.legis.iowa.gov/legislation/BillBook?ba=SSB%203093&ga=87) **and** [**HSB595**](https://www.legis.iowa.gov/legislation/BillBook?ba=HSB%20595&ga=87) **Utility Regulation Rollback**: these bills in the House and Senate Commerce Committees raise a concern for school district. The biggest changes include the potential for more pass through costs from transmission to end customers instead of requiring utilities to negotiate on the consumer’s behalf, less time for the Iowa Utilities Board to review tariff changes, a provision of the bills would allow a utility to just start charging all customers who already have solar an extra $100/month, $1,000/ month, whatever surcharge they determined. The municipal utilities and RECs can effectively destroy the cost-effectiveness of solar by prohibiting net metering already, but current law prohibits their ability to discriminate in pricing to consumers who have solar installations in place. This would be extremely unfair for schools and others who already have solar in place, and would make it difficult for schools to know what to expect in the future if they're thinking about renewable projects. The bills are predicted by consumer groups to raise rates and minimize incentives to become more efficient, and cost Iowa many jobs in green energy fields. RSAI is registered opposed.

**Advocacy Actions this week:** Suggested actions:

Senate Switchboard # 515.281.3371

House Switchboard # 515.281.3221

From links above or the legislative page <https://www.legis.iowa.gov/legislators> , find email addresses, home mailing address and home/work phone numbers for you legislators.

* Thank all 50 senators for amending the first year of SF 455 onto the SSA bill, which showed some urgency for solving the transportation and formula inequalities for school district. Thank House members for assigning a subcommittee to consider SF 455 next week.
* Contact House members, especially those on the [Appropriations Committee](https://www.legis.iowa.gov/committees/committee?ga=87&groupID=695) that SF 455 Transportation and Formula Equality, is in their court. Remind them of the impact (use the look-up tools on the RSAI legislative page for details) and keep the urgency on getting the first step taken to solve these long-standing inequities.
* State penny extension. Weigh in on your ideas about the provisions in HSB 647.
* See the new RSAI position paper on School Choice and connect with your parents and legislators on the priority of public schools. Ask them to strongly opposed HSB 651.

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