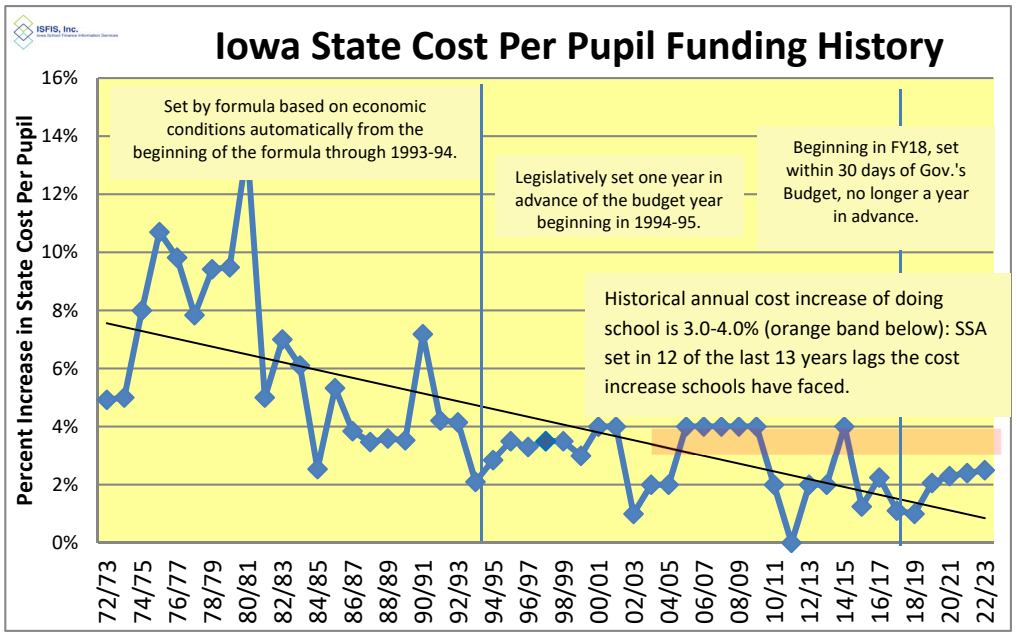
RSAI 2023 Legislative Priority:
Adequate Education Resources

History: This chart shows the historical percentage increase in Iowa's state cost per pupil, called State Supplemental Assistance or SSA, since the funding formula began in 1972-73:



Current reality: Annual formula increases have not been enough to pay salaries and benefits to compete with the private sector, plus other costs of operating schools and meeting student needs. Few or no applicants at all, especially in rural districts, demonstrates the inability to compete for human capital in Iowa's thriving economy. SSA impacts the weightings, or multipliers, assigned to students with special education needs, English-language learner supports, college credit courses and preschool, providing resources for student programs.

The SSA funding percentage is also applied to Teacher Salary, Professional Development, Teacher Leadership and Compensation (TLC) and the new Transportation Supplements. Although the transportation funds are for any general fund purpose (considered as reimbursement), other categorical funds are regulated for specific purposes. AEA special education and school improvement are also dependent on adequate increases in the per pupil amount. State and Federal unfunded mandates are paid from this funding. When school costs increase more than funding, program and staff reductions follow. Declining enrollment requires even further reduction. Growing enrollment demands additional staff and supports, both compromised by low SSA.

Staff Shortages: Schools are still striving to replace retirees or hire long-term substitutes when staff are ill or have not returned to teaching since the pandemic. Schools not benefitting much from federal pandemic funds based on the Title I formula still have additional costs and labor shortages. Districts with high poverty have additional educational needs. Without adequate funds, rural districts cannot pay a competitive wage and attract quality staff to our schools; this dynamic has intensified over the last decade. See the RSAI Staff Shortage position paper for additional data regarding staff shortages.

RSAI | 1201 63rd Street, Des Moines, IA 50311 | (515) 251-5970 | www.rsaia.org
Margaret Buckton, Professional Advocate, margaret.buckton@rsaia.org

Benchmarks/Economic Measures for Comparison: When comparing the state cost per pupil to economic benchmarks and other states, Iowa school funding falls short. Economic benchmarks:

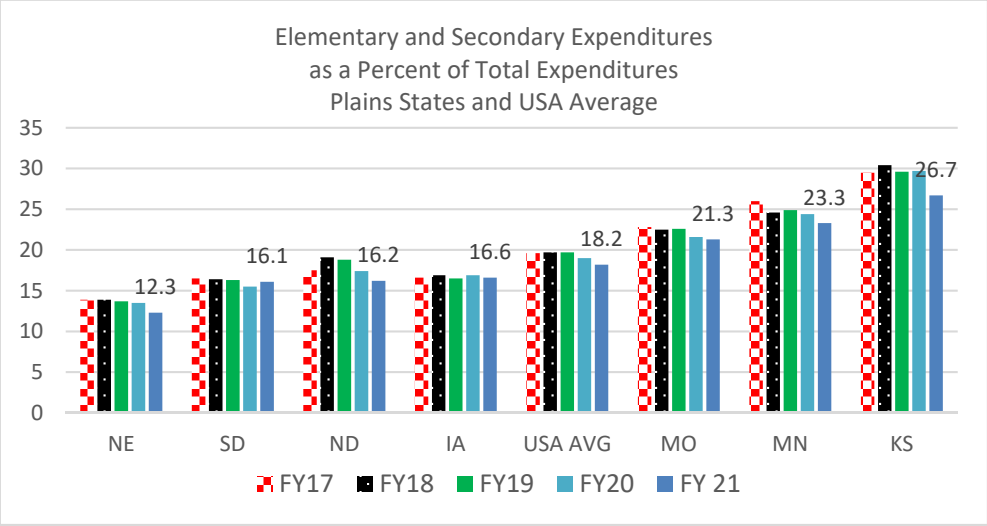
- The Gross Domestic Product (GDP) for Iowa grew 30.5%, controlling for inflation, 2011 to 2020, compared to the state cost per pupil, which grew 16.9% over the same period. https://www.bea.gov/sites/default/files/2021-09/qgdpstate1021.pdf
- Expressing the state cost per pupil as a percentage of one billion GDP shows a disturbing trend. In the 1990s, the SCPP ranged between 52-44% of one billion GDP. In the 2000s, the SCPP ranged from 45-37% of one billion GDP. Since 2010, the SCPP has ranged from 37-34% of one billion GDP; the last six years show the lowest comparison in the formula's history.
- Iowa Per Capita Personal Income increased 40%, 2010-2020, https://fred.stlouisfed.org/ while the state cost per pupil increased 19% over the same decade.

Other State Comparisons: from 2019 US Census data, May 2021
https://www.census.gov/data/tables/2019/econ/school-finances/secondary-education-finance.html

- Iowa slipped to 30th in per pupil public elementary and secondary school system expenditures, which is $1,280 below the national average.
- Since 2014, Iowa elementary and secondary education spending has increased 11.6%, while the national average increase has been 19.9%. In the Midwest region, Nebraska is the only state outpaced by Iowa. Iowa ranks 40th nationally in the per pupil expenditure ***increase*** since 2014.
- US Census data from May 2022 shows Iowa now $1,536 below the national average. Contrast this recent trend with Iowa's early history. In the 70s, 80s, and 90s, Iowa schools spent more than the national average per pupil on education. US Census data
- Iowa still ranks 30th in the nation in per pupil expenditures FY 2020.

The State's contribution to school funding is roughly 42% of the state general fund budget. As the state has taken on a bigger share of the formula, lowering property taxes, the 42% benchmark is no longer indicative of a commensurate increase in resources available for educating students. The State has also created other funds (Taxpayer Relief Fund or Healthy Iowans Trust Fund) and lowered taxes, both of which invalidate the benchmark as a meaningful indicator of adequate funding. For true apples-to-apples, compare all state resources spent on education. The NASBO (National Association of State Budget Officers) annual State Expenditure Report shares this comparison:

- In FY 2021, Iowa's education expenditures were 16.5% of total state expenditures. Plains states averaged 18.2%. All states averaged 18.9%.
- Iowa's 2021 drop of 0.3% was not as steep as the national average decline as a percentage of total expenditures (reduction of 0.8%).



- Iowa's formula has become increasingly state-funded, significantly more so than the national average.
- Iowa's ability to maintain 16.6% in FY 2021 may have been due in most part to the property tax relief portion of the formula (property tax relief payment) and changes to the foundation threshold in the formula, which increased the relative state share of school funding in Iowa.

Impact: Efforts to educate students, prepare a qualified workforce, and deliver the excellent educational outcomes to which Iowans are accustomed will be compromised if the basic foundation of school funding is not sustained. There are not enough qualified applicants to fill jobs, generally indicating that the profession of teaching is being outpaced in the marketplace. Class sizes are going up. Programs are being eliminated. Districts are offering fewer extracurricular and fine arts opportunities for students, especially in middle school. SSA is the lifeblood of rural schools. Declining enrollment combined with low SSA means more rural schools will have to consolidate or face closure by the state.

Adequate School Resources: the increase in SSA provides the resources for Iowa schools to deliver an educational experience for students that meets the expectations of Iowa parents, communities, employers and policymakers. What schools can deliver is dependent on the level of funding provided, which begins with the 2023-24 school year and requires a consistent and sustainable commitment:

- **World Class Education:** An investment of at least 10% SSA ($741 per pupil, or $4.12 per day of 180 days of instruction) would position Iowa schools and AEAs to deliver a world-class education, lower class sizes, attract and retain qualified staff, increase and individualize internships and other workforce experiences for students, and provide programs to close achievement gaps. Iowa per pupil expenditures fall $1,536 short of the national average, which does not meet the standard of Iowa's pride in our foundation of education, as shown on the Iowa state quarter. The 10% investment would be a down payment in closing Iowa's lagging funding gap, unless other states commit even more to their students' education.
- **Sustain Current Status:** An investment of at least 5% (*$371 per pupil, or $2.06 per day of 180 days of instruction*) would position school districts and AEAs to maintain current status with Iowa's competitive economy, recovering *partially* from high inflation and increased student needs.
- **Continued Erosion:** An investment of 2.5% (*$185 per pupil, or $1.03 per day of 180 days of instruction*) will *partially* cover expected increased costs of the next fiscal year, including staff salaries and benefits, but will require schools to scale back, provide part-time librarians, counselors and nurses, shift some classes to on-line learning, or take other actions to squeeze more out of the current system in order to set a salary sufficient to retain existing staff (teachers, bus drivers, custodians, paraprofessionals) and provide a rounded course offering and programs.

Iowa's school foundation formula must maintain balanced state and local resources, be predictable, and assure adequate time for budget planning and staffing.

RSAI 2023 Legislative Priority:
Rural School Staff Shortage and Educator Quality

Background: Although rural Iowa schools are full of excellent teachers dedicated to student success, conditions in rural Iowa are making it difficult to attract and retain great teachers, including school employees in many different job roles, and it's getting worse.

Many content areas are experiencing a shortage, especially at the secondary level. The Iowa DE compiles a list of areas with staff shortages annually. The list for 2022-23 includes the following, with new content areas this year underlined: deaf or hard of hearing impaired, visually impaired, special education (both II BD/LD and ID and I mild/moderate K-8 and 5-12), family consumer sciences 5-12, all world language, industrial technology, agriculture (5-12), all science (5-12), business (5-12), school counselor (K-8 and 5-12), mathematics (5-12), physical education, teacher librarian (K-8, 5-12 and K-12), early childhood education, earth science, physics (5-12), English language arts, music, art and all social studies. https://educateiowa.gov/pk-12/educator-quality/practitioner-preparation/teacher-shortage-areas. Almost all districts in Iowa are struggling to find bus drivers, paraprofessionals, office staff, and food service workers.

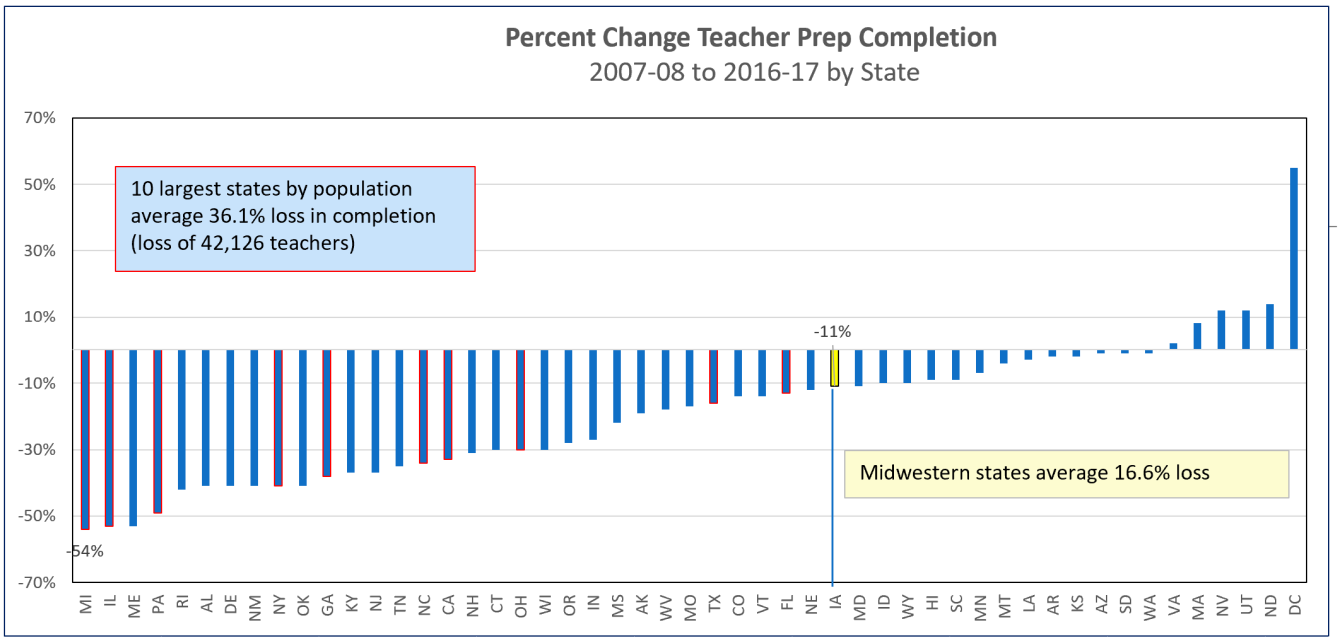
When there are shortages, the market tends to draw teachers away from rural areas that may lack social or entertainment amenities to higher-paying urban and suburban districts. Fewer qualified candidates are applying to fill vacant and mandated positions, and sometimes no candidates at all. Private-sector competition is also compelling. Iowa's employers are looking for a strong work ethic, communication skills, and the ability to get to work on time. The Future Ready Workforce list of High-Demand Jobs includes educators. Iowa was facing a teacher shortage before 2020; however, the effects of the global pandemic have amplified the shortage with staff retiring earlier than planned, retired teachers more reluctant to return as substitutes, increased needs for qualified staff to cover when teachers are sick, combined with increased educational and mental health needs of students.

Teacher Shortage Data:

- The gap between Iowa Average Teacher Salary and the National Average, as reported in the 2021 Iowa Condition of Education Report, in 2020 was $5,949 (in 1988, the gap was $3,182). The estimated gap for 2021-22 places Iowa's average teacher pay at $7,135 below the national average. Higher pay for teacher leaders, paid as much as $10,000 more for additional work through TLC plans, has helped to improve our average pay ranking since 2015. Iowa ranked #22 in 2018, however, Iowa slipped to #24 by 2021. From *the 2021 Iowa Condition of Education Report: "Iowa's average regular teacher salary increased slightly to $58,771 in 2020-2021 compared to $58,110 in 2019-2020. Iowa's average salary is 24th in national rankings and 6th when compared to other Midwestern states in the 2019-2020 school year.*" RSAI's concern is that the gap continues to widen, with the Iowa teacher pay gap now 49% more behind the national average than in 2018-19.
- With significant teacher shortages across the nation, beginning teacher pay is critical in keeping Iowa graduates in Iowa and attracting graduates from other states. Iowa is in the second to lowest quintile and has slipped 8 places in recent years, now ranking 38th in starting teacher pay. *Source: Understanding Teacher Compensation: A State-by-State Analysis*

RSAI | 1201 63rd Street, Des Moines, IA 50311 | (515) 251-5970 | www.rsaia.org
Margaret Buckton, Professional Advocate, margaret.buckton@rsaia.org

- Fewer teacher preparation candidates are graduating from colleges and universities of education, as reported in **Teacher Retention and Recruitment:** Shortages in Iowa/Nation, 50-state Comparison of Strategies, Education Commission of the States. In the Midwest states alone, between 2008-2017, there were 8,183 fewer graduates, for a loss of 17%. The following chart, compiled by Iowa School Finance Information Services, shows the nationwide data, which is even more drastic and predates COVID pandemic stressors on teacher supply.



Current Reality: The qualified worker challenge is more difficult in rural Iowa:

- The implementation of the teacher leadership and compensation system increased the demand for teachers to fill vacant positions to replace teacher leaders. TLC may also have slowed the pipeline of individuals willing to take on the work of school administration.
- Some rural schools have been able to help a willing and capable teacher obtain certification in a shortage area of content, but the rules limit provisional licensure status to two years. Access to fewer colleges and universities within a short distance adds to this burden. Tuition and costs of coursework may be unaffordable for lower-paid rural teachers and nearly unattainable for new teachers, given the level of starting pay in a rural area and ongoing college loan payments. RSAI is excited to be participating in Gov. Reynolds Teacher and Paraeducator Registered Apprenticeship Program, with a consortium through which 40 school districts are accessing federal pandemic funds to help participants become certificated or degreed over the next 2-3 years. State appropriation may be necessary to keep this program going.
- Some community members, dedicated to the rural area in which they live, may be willing to teach in areas of their expertise but can't afford to quit working for two years to become certified in teaching. Some programs in CTE areas have provided avenues to on-the-job training, a good model which could be expanded. Other teacher-intern models would be helpful but must include student teaching and ongoing mentoring and support.

- Beginning January 1, 2022, educators new to Iowa receive licensure reciprocity for their valid teaching, administrator or coaching license from any other state. Additional authority and a funding stream for recruitment programs, such as loan forgiveness, is critical to help address the teacher shortage.

Education Staff Shortage: In addition to sufficient SSA, strategies to rebuild Iowa's education workforce must address two areas during an unprecedented staff shortage:

- **Recruitment:** to rebuild the pipeline of interest into education, the Legislature, BOEE and DE must provide additional flexibility for school districts to provide hiring incentives, ongoing investment in CTE programs for high school students to study and experience work in education, provide resources for grow-your-own educators and appropriate certifications, provide means-tested tuition assistance and minimize the economic costs of unpaid student teaching, provide more loan forgiveness, and change the culture of political speech to restore education to a respected profession.

- **Retention:** to slow the out-migration of staff from schools to other professions or retirement, the Legislature, BOEE and DE must provide maximum flexibility to hire staff to deliver great instruction; additional flexibility for retention incentives, flexibility to meet offer and teach requirements, opportunities for teaching expanded courses within existing and/or competency-based licensure, institute a special education generalist credential, allow districts to hire retirees without a negative IPERS impact, and maintain the commitment to resources for mentoring, training and supporting staff.

- In both the short and long term, legislation, policy, and public support will not only provide improved compensation for educators but must also foster the respect for the education profession that is well deserved. Only when we are able to do this will Iowa be able to have adequate numbers of quality individuals educating our children.

RSAI 2023 Position Paper:
School Choice and the Priority of Public Schools

Current Reality: Iowa has a wide range of school choice options for parents and students, including:

- **Within District Transfer:** A neighborhood public school or a public school in another neighborhood within the school district (transfers regulated by the local school board).
- **Open enrollment to public school in another district**: 36,412 students exercised this option in the 2021-22 school year. This total includes: 1) Open enrollment to another district or open enrollment to an Iowa public virtual academy online program. Note: Legislation in 2022 removed the requirement to meet a March 1 deadline, so students can now open enroll to another public school district at any time.
- **Charter Schools:** HF 813 and HF 847, effective July 1, 2021, created new charter school options for school boards or independent founding groups.
- **Strong nonpublic schools:** with 36,636 students enrolled in 2021-22. Millions of state tax dollars support private schools and parents for school tuition organization scholarships, tuition and textbook tax credits, transportation/textbook funds to private schools, public school and AEA support for special education in private schools, and public/private partnerships for private preschool tuition in the statewide voluntary preschool program.
- **Home School Options**: competent private instruction or independent private instruction. HF 847 in 2021 applied the tuition and textbook tax credit to home school for the first time.
- **Public funding for private education:** In 2018, over $66 million of state dollars supported education of Iowa students in private and home schools, according to the Iowa Fiscal Policy Project Analysis Nov. 2018. The additional fiscal impact of HF 847 expanding tax credits to home school would raise that total to $91 million.
- **Recent Iowa Expansion of Private School Support:** In the 2021 session, School Flexibility and Choice, HF 847, accelerated the prior year's increase of the annual cap for School Tuition Organization (STO) Tax Credits to $20.0 million from CY 2025 to CY 2022 and the credit was expanded from 65% to 75% of the contribution. These scholarships support private school tuition for students from families below 400% of the federal poverty level ($111,000 income for a family of 4). The bill also doubled the Tuition and Textbook Tax Credit to 25% of $2,000 spent and applied it to home school for the first time in CY 2021.

The Heritage Foundation's Education Freedom Report Card shows Iowa ranked 9th in the nation in school choice: this ranking predated the expansion of charter schools, tax credits for home school and elimination of an open enrollment deadline.

Vouchers or Education Savings Accounts Costs Outweigh Benefits: Increasing Iowa's public investment in private schools will not add benefits and will negatively impact public school students:

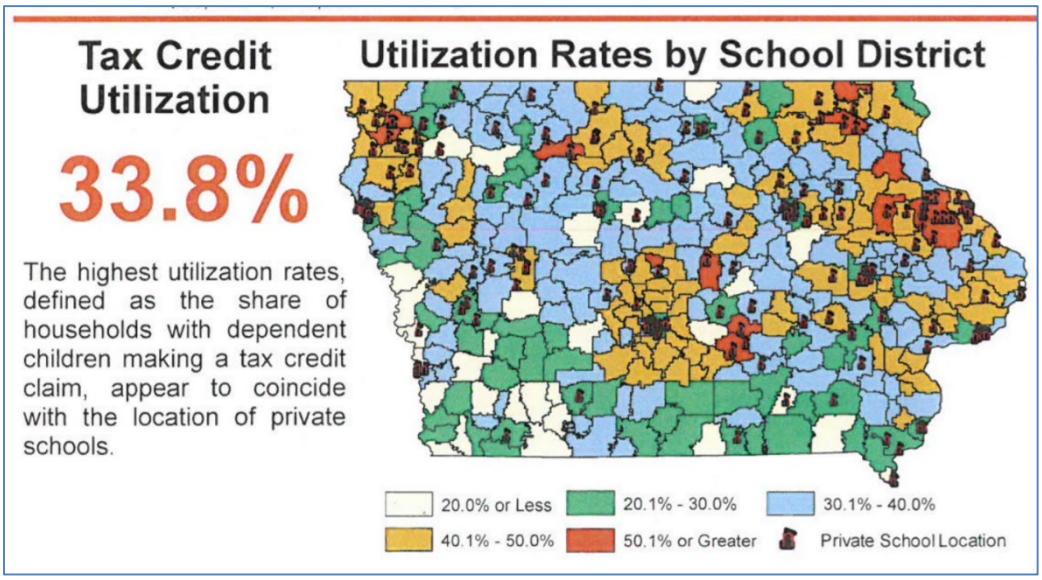
- Iowa has competition to pressure schools to perform (if the assumption is that competition provides positive pressure). According to the Economic Policy Institute Report, Feb. 28, 2017, "Research does not show that vouchers significantly improve student achievement."
- That report concludes there are more effective ways to increase graduation and college

attendance rates, that voucher/ESA programs have hidden costs including shrinking the pipeline into teaching, and that support for privatization detracts from more proven methods of improving student learning. Rural schools already find it hard to compete for employees and are concerned that increased demand for teachers in private schools, even if just in urban areas, will make is harder for rural schools to find teachers, already in short supply.

- Diverting funds to private education further stresses public school resources. From *State Tax Subsidies for Private K-12 Education*, Oct. 2016; "30 neovouchers across 20 states are draining over $1 billion in public revenues from state coffers every year. Every dollar of revenue diverted toward private schools is revenue that cannot be invested in the public education system."

- **Programs Start Small but Expand:** school choice programs in other states tend to start small, often with eligibility available to low-income or students with disabilities. Though, over time, eligibility expands to include all students. For example, Ohio's private school vouchers began as a pilot program, but has grown from $42 million a year in 2008 to $350 million in the 20-21 school year. With Iowa's historic income tax cuts hitting the balance sheet with an anticipated $1.8 billion revenue reduction, the commitment to increase state support for private school will bump up against budget cuts in just a few short years.

- **Few Rural Private Schools:** the survival of rural schools and variety of educational options for students depend on adequate state funding. There are few private schools available for rural parents to exercise choice, as this map from Iowa's Department of Revenue presentation to the Tax Expenditure Committee measuring participation in tax credits, Jan. 2019, shows. According to the National Rural Education Association, education savings accounts reduce resources to rural schools and save money for parents in urban centers. Meanwhile, student poverty and minority concentration are exacerbated when families with means are encouraged to leave the public school for a private school program.



- **No Oversight:** The Economic Policy Institute also finds insufficient budgetary oversight of voucher programs. There is no publicly elected school board or Department of Education regulation of allowable expenditures. The public does not have access to records or public meetings. Good stewardship of tax dollars requires transparency and clearly articulated expectations.

- **Level the Playing field:** Public schools are accountable to taxpayers, parents, communities (the public), and serve all students. Unlike public schools, private schools can refuse to enroll or later expel students not meeting expectations or refuse enrollment based on specific student needs,

such as students with disabilities, non-English-speaking, minority, low income or transgender students. If additional state dollars are used to fund ESAs, the private schools receiving those tax dollars should also be required to comply with testing, reporting, enrollment and service requirements.

Public School Priority: Public schools must be adequately funded and supported by the State. Investments in education savings accounts, voucher programs, school tuition organizations or home school, whether by tax credit or direct appropriation, remove resources from public schools in three ways;

1) Iowa's funding formula is enrollment based. Fewer students in public schools results in fewer resources for staff, programs and courses for the vast majority of students remaining in the public school. For rural schools in particular, the loss of students further stresses an already tight economy of scale.

2) Carving Iowa's education funding pie into more pieces means a smaller piece of the pie for Iowa's public school students. Rural school leaders, looking ahead to the implementation of the 2022 historic tax cuts, already fear the inability of the state to adequately fund public schools, let alone take on the commitment of a second educational delivery system.

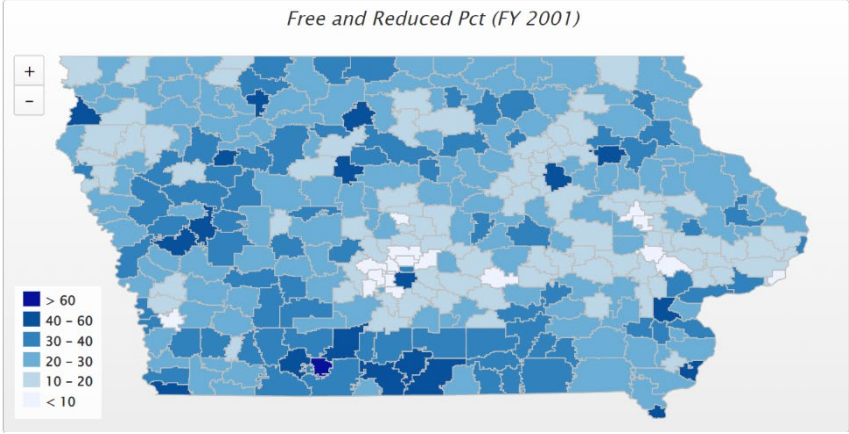
3) School choice programs typically start small but quickly expand eligibility criteria (increased income eligibility, support for home school, or even eventual public support of private tuition for any student at any private school that will take them). Many rural school districts do not have a private school in their community today. In the future, private online academies, the pressure for the state to support homeschooling, and the profit motive to expand private schools without the corresponding costs of oversight and compliance, will create lower economies of scale and the inability for small rural schools to survive increased rigorous state accreditation compliance.

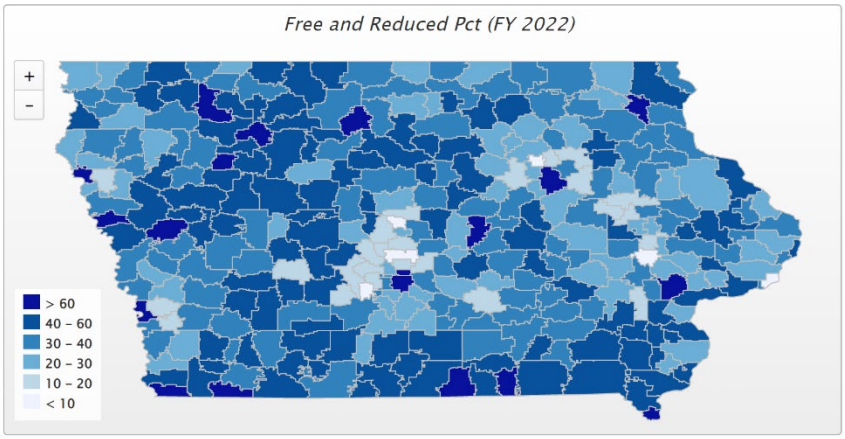
RSAI is opposed to all forms of education savings accounts/voucher programs/additional public funds appropriated for private or home school. Such programs traditionally do not include accountability for tax expenditures, are not required to educate and assess all children or provide special education services, and are hidden from the public oversight that accompanies public funding.

With recent expansions to unlimited open enrollment to any public school in Iowa, combined with Iowa's current public investment in private religious schools and home school exceeding $80 million, even small demonstration programs or pilot projects should be resisted; the camel's nose under the tent is soon followed by the humps.

RSAI 2023 Legislative Priority:
Opportunity Equity for High-Poverty Students

Background: Iowa's funding formula does not sufficiently recognize poverty as a driver of at-risk student programing.





2001 Statistics: 27% of students were eligible for Free/ Reduced Price Lunch (FRPL). Only 6 districts had more than 50% of students eligible for FRPL. Of those 6, Waterloo was the only urban district, the others were Keokuk, East Monona, Fox Valley, Wayne and Diagonal, which was the state high at 60.2% or students on FRPL.

2022 Statistics: 40.7% of students were eligible for FRPL (*2022 enrollment may be understated with free lunch temporarily available to all students due to COVID-19 federal directives)*. Of the 63 districts with more than half of their students on FRPL, only 19 are urban, leaving 54 rural. 18 districts have more than 60% of students eligible for FRPL. Districts above 70% include Postville, Storm Lake, Council Bluffs, Waterloo, South Page, Hamburg, and Des Moines, which was the state high of 77.8%.

Legislative Status: The December 2019 School Finance Interim Committee passed a unanimous and bipartisan recommendation to study the impact of poverty on educational outcomes. The study was directed to review other states' formulas that provide resources for students from low-income families which are showing successful student achievement outcomes for at-risk students. HF 2490 Poverty Weighting Study was approved with strong bipartisan support in the House Education Committee in the 2020 Session, but the issues have received no action since. This bill serves as a good starting point for continued conversation.

Funding for At-risk in Iowa is not aligned to poverty. Dropout Prevention funding is based on total enrollment, not the percentage of students at-risk. Although flexibility for the use of DoP funds has been expanded, DoP capacity is still limited to 2.5% of the total regular program district cost or up to 5% of regular program district cost based on historical practice.

RSAI | 1201 63rd Street, Des Moines, IA 50311 | (515) 251-5970 | www.rsaia.org
Margaret Buckton, Professional Advocate, margaret.buckton@rsaia.org

Current Reality: In FY 2022, 40.7% of students, or 195,760 children, were FRPL eligible, according to the Iowa Department of Education's reporting.

- Poverty is now found throughout the state. It is indeed a rural challenge. The previous page's map's darkest color shows districts with 60% or more of enrolled students eligible for FRPL.
- Iowa's funding for at-risk and dropout prevention is less than 10% funding commitment for students in poverty, well short of the national average 29% beyond the base for low-income students. (AIR, Study of a new Method of Funding for Public Schools in Nevada, Sept. 2012)
- Students from low-income families are more likely to begin school academically behind, exhibit nonproficient literacy skills, especially in early elementary, and fall further behind over summer breaks unless schools have the resources, staff and programs to meet their needs.
- Low-income rural students are an important piece of Iowa's workforce puzzle, will stay in Iowa, and either be the backbone of rural communities' potential or a drain on future resources.
- Districts must waive fees for FRPL-eligible families, meaning districts with concentrated poverty have fewer resources for textbooks and drivers' education, further stressing the general fund.
- High-poverty School Investments boost achievement. Education Week, Student Outcomes: Does More Money Really Matter? *Fresh research bolsters the case for K-12 cash—and a rough road without it*, Daarel Burnette II, June 4, 2019 reports: "More money does, in fact, make a difference, they (researchers) say—provided that you spend enough, and in the right manner. They point to research in the past five years that provides examples of instances where politicians and taxpayers invested more money in teacher salaries, school construction, and schools with high populations of low-income students and saw students' test scores jump."
- The McCourt School of Public Policy, Georgetown, FutureEd, State Education Funding; The Poverty Equation, March 2020, states, "What's more, when poverty is concentrated in a school—that is, when a significant portion of students in a school come from low-income households—the impact on performance is compounded. A body of research suggests that there is a 'tipping point,' somewhere between 50 to 60 percent of a school's students living in poverty, where performance for all students there drastically declines."

Opportunity Equity: resources based on at-risk need, in addition to enrollment. All school boards should have the opportunity to access up to 5% dropout prevention funding. School districts should be granted spending authority for FRPL waived fees. Iowa should study the impact of poverty on educational outcomes and best practices of other states in closing associated achievement gaps, leading toward a significant and urgent update to Iowa's School Foundation Formula in funding programs for Iowa's neediest students. Investments in programs for at-risk students prepare them for full participation in the workforce, improve school safety for all students, minimize tax increases to remediate social costs later and improve outcomes for students and families.

RSAI 2023 Legislative Priority:
Preschool

Background: Iowa's Statewide Voluntary Preschool Program (SVPP), first implemented in 2007-08, has grown to serve 31,468 four-year-olds by 2019-20. PK enrollment was lower than kindergarten by 8,364, meaning as many as 27% of kindergarteners may not have been served in SVPP. The importance of reading proficiently by the end of third grade is critical, and quality preschool helps students reach that important benchmark. Preschool enrollment dropped from 31,468 to 27,392 (down 4,076 in October 2020 compared to October 2019) due to the pandemic. In October 2021, preschool enrollment rebounded to 29,411, but still today well short of the pre-pandemic level and still under-enrolled compared to the total relative population of four-year-olds later expected to attend kindergarten. Hold harmless budget provisions and programs to support early literacy are more important than ever in supporting Iowa's youngest students to academic success.

Why does preschool matter? The Perry Preschool Project, 40 years later, documents $17 savings for every dollar invested (earlier findings of $8 saved for every dollar invested are also often cited). Once considered a strategy just to support working parents with childcare needs, the majority of states now view access to high-quality PK programs as a critical long-term economic investment in the future workforce. Education Commission of the States, http://www.ecs.org/docs/early-learning-primer.pdf Oct. 2014: *Six rigorous, long-term evaluation studies have found that children who participated in high-quality preschool programs were:*

- *25% less likely to drop out of school.*
- *40% less likely to become a teen parent.*
- *50% less likely to be placed in special education.*
- *60% less likely to never attend college.*
- *70% less likely to be arrested for a violent crime.*

Sarah Daily, *Initiatives from Preschool to Third Grade: A Policymaker's Guide*, shows reductions in costly outcomes that quality preschool prevents. (Denver, CO: Education Commission of the States, October 2014, http://www.ecs.org/docs/early-learning-primer.pdf). The National Conference of State Legislatures quotes studies on long-term return on investment: http://www.ncsl.org/research/human-services/new-research-early-education-as-economic-investme.aspx

Another study shows improved behavior and social skills: the Journal of Research in Childhood Education, The Long Term Benefits, 2017, http://dx.doi.org/10.1080/02568543.2016.1273285 demonstrates for low-income students in quality preschool compared to low-income students without the PK experience, the PK group had fewer behavior issues, referrals, better attendance, initially more special education in kindergarten (identified earlier) but less special education services by fourth grade than the control group.

RSAI | 1201 63rd Street, Des Moines, IA 50311 | (515) 251-5970 | www.rsaia.org
Margaret Buckton, Professional Advocate, margaret.buckton@rsaia.org

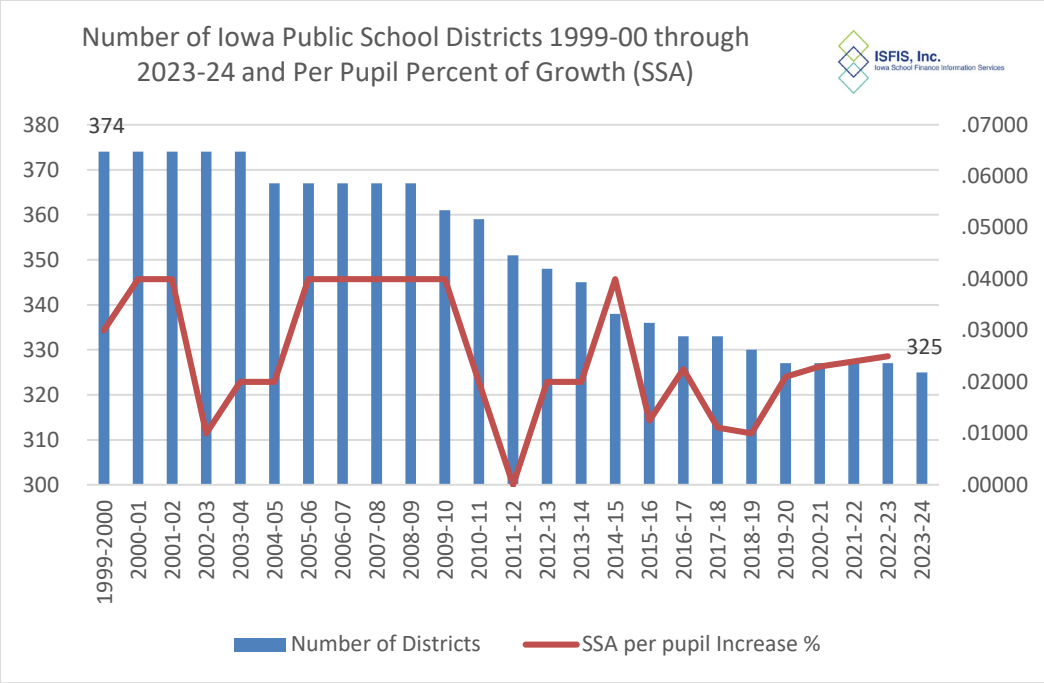
Barriers to Expansion. Preschool funding in the formula is paid entirely with state funds, based on the prior year's enrollment of 4-year-olds in the program on October 1. Although 3-year-olds and 5-year-olds may be served, they are not counted for weighting/funding purposes. Unlike the regular program enrollment for K-12 budget purposes, there is no adjustment for enrollment growth known as on-time funding modified supplemental amount if more PK students are served than in the prior year. Districts are also prohibited from using general fund dollars to pay for PK expenses leaving parent pay or grant funding as the only remaining options. Additionally, 4-year-olds from low-income families may need other supports, such as full-day programs or wrap-around care to allow families full employment. For non-English-speaking families, preschool is critical. Yet, the 0.5 weighting is not enough to cover the costs of translators, staff and additional materials to support immigrant families to fully engage with their students, let alone the full-day programming that would jump-start their language development. Lastly, in particular for rural schools, transportation costs are most efficient when students can be transported together. The half-day PK option requires additional routes or no transportation at all, which is an additional burden on parents and a barrier to full-time employment.

Workforce and Childcare: Full-day preschool with a 1.0 weighting for lower-income and non-English-speaking 4-year-olds is a win-win-win: 1) a win for students with improved academic success down the road, 2) a win for the business community when parents can fully engage in employment and freed up childcare slots can serve waiting lists so other parents can work, and 3) a win for taxpayers as students with quality preschool are 50% less likely to experience the costs of long-term special education typically borne by property taxpayers. Quality preschool is an excellent example of the old adage that an ounce of prevention is worth a pound of cure.

Quality Preschool: funding of quality statewide voluntary preschool at the 1.0 per pupil cost for full-time or prorated proportionally. Formula protections against budget and program impacts of preschool enrollment swings (budget guarantee/on-time spending authority). Full-day programming increases the opportunity for parent workforce participation, allows Iowa's limited childcare workforce capacity to focus on younger children, prevents later special education consequences, improves literacy and prepares students for learning.

RSAI 2023 Legislative Priority:
Sharing Incentives & Efficiencies

Background: Whole Grade Sharing and Reorganization Incentives are currently available to school districts through the budget year beginning July 1, 2024 (HF 566 enacted in the 2019 Session extended for five years) and Operational Sharing Incentives are available through the 2024-25 school year (HF 633 enacted in the 2018 Session extended Operational Sharing Incentives through FY 2024-25). Whole Grade sharing incentives provide an impetus for districts to deliver greater educational opportunities for students, either one-way, which 27 districts used in the 2022-23 school year or with two-way agreements, in which 10 districts were engaged. Three districts that previously participated in whole-grade sharing were reorganized effective July 1, 2019, lowering the total number of school districts in Iowa to 327. Two more reorganizations have been approved beginning July 1, 2023, bringing to total to 325. In the 2021-22 school year, 264 districts also received operational sharing supplementary weighting. Of those, 115 districts qualified for the full 21 student weighting, or $151,767.



Historically, these incentives have helped ease the financial burden of sharing. They sometimes, but not always, lead to reorganization. School districts have experienced significant reorganization in Iowa, which originally had over 4,600 school districts decades ago, now with 325 beginning July 1, 2023. Continued low SSA increases contribute to financial pressures leading to both sharing and reorganization necessity for rural schools.

Current Reality:

- **Operational Sharing Incentives** create the capacity for districts to discuss efficiencies that may not otherwise be politically viable. These incentives promote good working relationships with neighboring districts and help smaller districts continue to meet accreditation demands with limited general fund resources while giving students access to more program offerings. Sharing also allows expertise and facilities to be concentrated in neighboring districts. In 2017, the legislature extended these incentives through June 30, 2024. In 2021, the legislature added three new positions eligible for operational sharing (special education director, work-based learning

coordinator, and another level of social worker). In 2021, the supplementary weighting for all positions except shared superintendent were lowered by one student, effective for the 2023 budget year. With the 21-student cap, this action required districts to expand operational sharing to avoid a budget reduction. In 2022, the superintendent weighting was increased from 8 to 9.

- **WGS** between districts may save on staff costs, typically increases transportation costs, but most importantly, provides additional opportunities for students. The incentives help to get students to the programs they need to be successful. The reorganization incentives timeline encourages school boards to work together in a timely fashion to provide what's best for students, but harmonious reorganization can take many years. Some districts have found long-term success in whole-grade sharing that expanded opportunities but has not led to consolidation at the district level.

- Without the incentives after reorganization, since transportation costs and staff savings have already been incurred through WGS, additional efficiencies are not as significant. This hurdle can create a barrier to reorganization, absent the incentive.

- Maintained legislative commitment to transportation equity payments has lessened a major barrier to reorganization in years past, for rural districts with larger than average transportation costs.

- Property tax rate differences can be significant between neighboring districts. Three years of property tax incentives following reorganization helps ease that transitional impact on taxpayers.

Sharing Incentives/Efficiencies: extension of Whole Grade Sharing, Reorganization and Operational Sharing Incentives. Expand the 21-student cap to allow access to new flexibility. Weightings should be sufficient to encourage and support sharing opportunities, with a 3-student weighting at a minimum. The addition of new positions over the last few years, such as the work-based learning coordinator and school resource officer, demonstrates the value of continuing sharing incentives for both efficiency and extended opportunities for students.

Find out more:
DE's Whole Grade Sharing Handbook, Sept. 2020, explaining funding, enrollment operations, negotiated agreements and other critical procedures for districts to follow is posted on DE's website: https://educateiowa.gov/sites/files/ed/documents/Whole%20Grade%20Sharing%20Handbook-%202020.pdf

Download this "ISFIS Operational Function Sharing - Description and Explanation of the Program" information here, which can be used to describe and share the Operational Sharing program, history and requirements. (*Updated July 2022)*

RSAI 2023 Legislative Priority:
Student Mental Health

Background: Mental health challenges for students have increased in all school districts in Iowa, including rural schools. DE's website shares how mental health conditions impact a large number of youth. A National Alliance on Mental Illness (NAMI) infographic includes the following statistics:

- 1 in 5 children ages 13-18 have or will have a serious mental illness.
- 50% of all lifetime cases of mental illness begin by age 14 and 75% by age 24.
- The average delay between the onset of symptoms and intervention is 8-10 years.
- Approximately 50% of students age 14 and older with a mental illness drop out of high school.
- 70% of youth in state and local juvenile justice systems have a mental illness.

In addition, in 2011, suicide became the second leading cause of death for youth ages 15-24 in the U.S. In 2014, suicide was the second leading cause of death for youth ages 10-14 in the U.S., though it dropped to the third leading cause in 2015. By 2019, suicide is again second. Leading Causes of Death and Injury Charts, CDC

Provider Shortage: Iowa Capitol Dispatch reported on Nov. 23, 2020, "One in five Iowans is likely to be affected by a mental health challenge in a normal year. In 2020, that estimate increased to one in four, according to *NAMI Iowa's strategic plan*. But Iowa continues to fall far short of the number of mental health providers needed to address the need. The state ranks 48th overall in the provision of mental health services, according to NAMI Iowa, with fewer than 100 psychiatrists accepting clients in the state."

Impact on School: Chronic Absenteeism is defined as missing 10% or 18 days a school year. Children with mental illness are more likely to miss school due to depression or anxiety and are then more likely to miss school to get needed mental health care. According to the American Academy of Pediatricians, School Attendance, Truancy & Chronic Absenteeism: What Parents Need to Know, "Children who are chronically absent in kindergarten and first grade are less likely to read on grade level by the third grade. For older students, being chronically absent is strongly associated with failing at school—even more than low grades or test scores. When absences add up, these students are more likely to be suspended and drop out of high school. Chronic absenteeism is also linked with teen substance use, as well as poor health as adults."

Recent Strides: Unless a student is receiving special education services and the IEP so authorizes, mental health treatment at school is not funded. Such services are often not readily available in rural communities, requiring time away from school or no service at all. Thankfully, the 2020 Iowa Legislature approved schools as originating sites for virtual mental health counseling. The hope is to minimize absenteeism and get students the help they need while at school, when virtual telehealth counseling is appropriate for their challenges. Although welcome, this will not be sufficient for Iowa's neediest students.

RSAI | 1201 63rd Street, Des Moines, IA 50311 | (515) 251-5970 | www.rsaia.org
Margaret Buckton, Professional Advocate, margaret.buckton@rsaia.org

The 2019 Legislature created a structure for children's mental health services. In 2020, the Legislature and Governor approved SF 2360 Classroom Management/ Therapeutic Classrooms. This legislation sets up a grant process for additional therapeutic classrooms. Both of these efforts require funding to be successful, which the Legislature appropriated in the 2021 Session. HF 868 appropriated $3.2 million to the Iowa AEAs in to provide mental health awareness training for educators and mental health services. In 2022, the Legislature created a new Mental Health Providers Loan Forgiveness Program in HF 2549. HF 2575 further increased mental health funding to AEAs to $3.4 million, added another $725,000 for the Therapeutic Classrooms, and established a Mental Health Rural Pilot Report (Required DE, in collaboration with the statewide not-for-profit health care organization receiving moneys for the children's grief and loss rural pilot program, to prepare a report detailing the expenditure of moneys used for the purposes of the program and its outcomes to the General Assembly by Sept. 30, 2023.) These are all promising investments, but the state must continue to support these and do more.

COVID Impact: Over the last two years, changes to educational delivery to keep staff and students safe, family job loss, quarantine requirements and illness all contributed to stress for students, parents and staff members with mental illness. The need to continue this important work is more urgent than ever. Making sure there is access to mental health services for all students and their families remains a struggle, especially for rural communities.

Student Mental Health: increased access to funded community mental health services for children. Address the shortage of mental health professionals statewide, provide resources for local districts to train school staff in social-emotional learning awareness and build community capacity to collaborate for a collective solution to the increasing mental health needs of children.

RSAI 2023 Legislative Priority: Local School Board Authority
District Flexibility/Home Rule

Background and History

American democracy is built on the assumption that local leaders, closest to students and communities, will make the best decisions for their communities. This is in contrast to Dillon's Rule, a court case from the 1800s, which stated that schools can only do what is expressly authorized in state law. Iowa cities and counties were granted Home Rule via Iowa constitutional amendment. Those amendments excluded taxing authority, which remains heavily regulated by the State. Background on change to Home Rule for Iowa is found in the Legislative Guide to Iowa Local Government Initiative and Referendum, LSA, December 2008, found here.

HF 573 granted statutory Home Rule to schools during the 2017 Session. Differences in interpretation remain about the role of pre-existing administrative rules and the DE's authority to pre-approve district actions. Home Rule does not eliminate any current laws but grants clearer flexibility in the areas not written. School districts are still required to follow laws that compel actions as well as avoid actions prohibited in law.

Flexibility Provides a Good Result without Irreparable Harm

- School districts are called upon to deliver results but often cannot exercise local authority to implement new practices, update processes, or think creatively. Professor Richard Briffault, Columbia Law School, in a presentation to the Kennedy School of Government, Harvard University, Oct. 2003, explains why local control is necessary for school governance: "To be sure, greater state standard-setting, oversight, and interventions in cases of poor local performance have been accompanied in some states with measures giving local school boards greater operational discretion in achieving state educational goals. States may conclude that their purposes may be better attained by a degree of school district home rule rather than by state-directed micro-management of school operations."
- If a school takes an unacceptable action under home rule, the legislature may later prohibit it.

Local Control Furthers Democracy

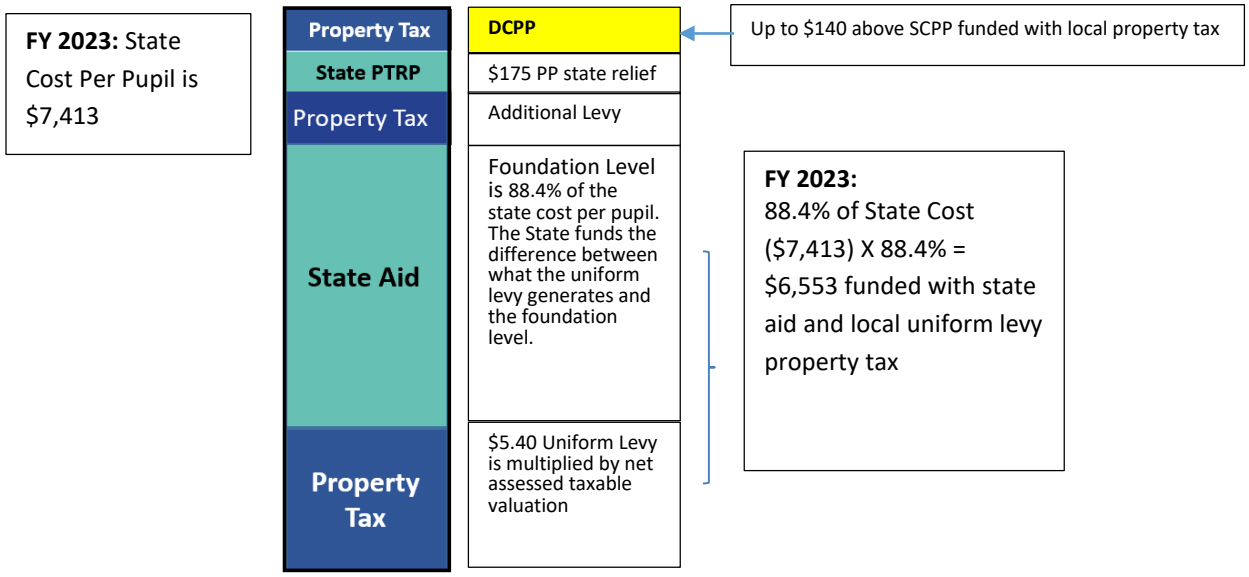
Alexander Hamilton explained the democratic value of local control: "It is a known fact in human nature that its affections are commonly weak in proportion to the distance or diffusiveness of the object. Upon the same principle that a man is more attached to his family than to his neighborhood, to his neighborhood than to the community at large, the people of each State would be apt to feel a stronger bias towards their local governments than towards the government of the Union; "Federalist, no. 17 Federal v. Consolidated", Dec. 5, 1787. A more contemporary publication, Principles of Home Rule for the 21st Century, the National League of Cities in 2020 explains Hamilton's point; "At the heart of the concept of local democratic self-government is the accountability of local officials to the local community that results from local popular election of local lawmakers. Local election distinguishes local self-government from rule by state appointees, or from control by an electorate outside the locality." https://www.nlc.org/wp-content/uploads/2020/02/Home-Rule-Principles-ReportWEB-2-1.pdf In 2020 and 2021, public community reactions to pandemic policies have demonstrated that it is easier for citizens to access their school board members and attend board meetings than to engage in state-level policymaking.

Local School Board Authority: locally elected leaders closest to the community are in the best position to determine the interest of students, staff, district and stakeholders. District leaders need maximum flexibility to provide a great education to all students. The Legislature, the Executive Branch and the courts should follow Iowa Code 274.3 and liberally construe statutes to effectuate local control.

RSAI | 1201 63rd Street, Des Moines, IA 50311 | (515) 251-5970 | www.rsaia.org
Margaret Buckton, Professional Advocate, margaret.buckton@rsaia.org

RSAI 2023 Legislative Priority:
Formula Equity

History: Before the Iowa school foundation formula was created, school districts depended almost entirely on local property taxes for funding. The level of support varied due to many factors, including community attitudes about the priority of education and local property tax capacity. The formula set a State Cost Per Pupil (SCPP) in the mid-1970s and then brought all districts spending less than that amount up to the SCPP. A combination of some local property tax and some state foundation aid provided funding. Those districts which spent more than the newly defined SCPP were allowed to continue for five decades, funded by local property taxpayers. Although the formula was created in the mid-1970s, the difference between the SCPP and a higher District Cost Per Pupil (DCPP) has remained, although narrowed over the last several years by legislative action. This graphic shows the property tax and state aid components of the SCPP and the DCPP above the $7,413 (FY 2022-23 SCPP). In the 2022 Session, the Legislature enacted HF 2316 School Funding (SSA), which set a 2.5% increase per pupil. The bill also closed the formula inequity gap by an additional $5 per pupil. Many of the following details are from the LSA's Fiscal Note.



Current Reality: In FY 2023, 224 districts (69%) are limited to the $7,413 as their District Cost Per Pupil (DCPP). The other 103 districts (31%) have a DCPP ranging from $7,414 to $7,553, or $1 to $140 more per student. When the Legislature determines the increase in the SCPP, that dollar amount is added to the DCPP, so the gap continues at the same dollar amount. On a percentage basis, the $140 is much less today than it was in 1975. However, when school budgets are tight, every dollar matters. This table shows the count of districts based on the range of authority in the formula to exceed the SCPP.

FY 2021 Count of Districts	Amount DCPP is Greater than SCPP
224	$0
20	$1 to $14
21	$15 to $29
20	$30 to $49
20	$52 to $85
22	$88 to $140
Total = 327	

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Margaret Buckton, Professional Advocate, margaret.buckton@rsaia.org

Inequity impacting students: The amount of funding generated per pupil for regular education is not the same for all districts. Thus, a student, based solely on the historical practice of the district of residence, can generate more or less funding. Inequities are further compounded by the formula's use of multipliers or formula weightings for special student needs. Those multipliers, applied to the DCPP, generate different amounts of support for students, such as special education students, by application of the formula.

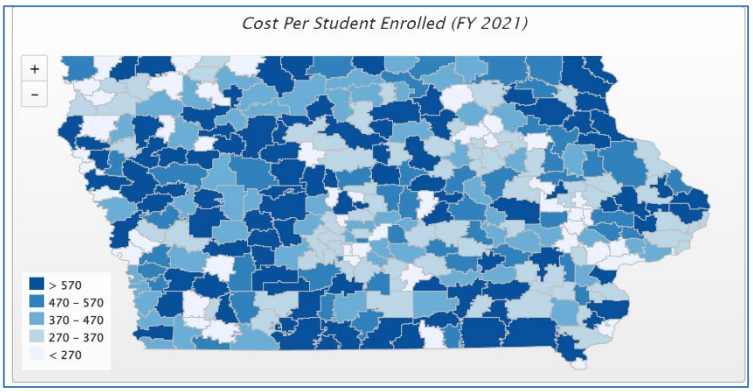
Solutions: Possible solutions to promote equality without lowering the per pupil amount available for any school district include:

- The Legislature could grant all local districts spending authority for the difference and allow school boards to decide locally whether to fund it. This solution maintains the state's funding commitment without increasing it and provides local property taxes to support community schools. Although not all districts have equal political capacity to assess local property taxes, the impact on taxpayers is now buffered by efforts to promote tax equity, such as the Property Tax Equity and Relief (PTER) fund, which lowers the highest school property tax levies in the state and phases in property tax relief for all property taxpayers. Legislators could appropriate funds from the Taxpayer Relief Fund in FY 2024 to offset what would otherwise be property taxes to implement equity immediately.
- Set the state cost per pupil at the highest amount but lower the foundation percentage threshold from 88.4% to an amount that balances the impact on the state and on property taxes.
    - While both of these solutions depend on local funding, since many districts have sufficient cash on hand, there would be little cash reserve levy impact for several years in many districts.
- Phase in a long-term commitment to eliminate the inequality over time. HF 2316 closed the formula inequity gap by an additional $5 per pupil. At this pace ($5 per pupil per year) it will take 28 more years to obtain full equity. A commitment to close the gap by an average of $14 per pupil would get to equity in 10 years.
- A combination of the two options above would also be possible – authority in the meantime, close the gap over the long haul.

Formula Equity: Inequities in the formula, based on no longer relevant historical spending over 40 years ago, must be corrected to support resources for all Iowa students. The Legislature should continue investments in formula equity, closing the state and district per pupil gap within ten years.

RSAI 2023 Legislative Priority:
Transportation Equity

Background: In the 1950s, Iowa had over 4,000 school districts. Students walked to their neighborhood school and transportation costs were nonexistent for Iowa school districts. As budgets have tightened and enrollments declined, Iowa now has 327 districts (FY 2023) with varying square miles, disparate costs per pupil enrolled, and different challenges in geography that impact transportation costs, leading to vastly varying transportation costs.



Iowa's foundation formula does not recognize the sparseness of population, square mileage or route miles for school districts, the number of students transported, or variance in road or geographic conditions. Transportation costs are paid out of the general fund.

Recent Progress: The Legislature has made strong progress in closing the transportation expenditure gap:

- SF 455, enacted in 2018, provided $11.2 million to 143 districts with the highest transportation costs in the state, a good start, but did not provide certainty.
- Every year from 2019 through 2021, the legislature continued to invest state funding toward resolving transportation inequity, getting closer to to reimbursing every district with transportation costs above the state average for those excess costs. That goal was achieved with the 2022 enactment of HF 2316 School Funding (SSA) which applied a 2.5% increase to the state cost per pupil (SCPP). The bill also appropriated the amount needed to get all districts to the statewide adjusted average. The funding increased to $29.5 million, an increase of $2.0 million, or a 7.28% increase. Going forward, the appropriation will grow at the same rate as the categorical SCPP rate, absent any legislative action to the contrary.

Current Reality: the following describes transportation inequities offset by the Transportation Equity Program, according to the 2020-21 Annual Transportation Report:

- According to the DE's Report, transportation expenditures per pupil ranged from $27 per pupil to $1,012 per pupil. Thanks to the transportation equity funding commitment, all districts with high expenditures were reimbursed down to the state average of $353 per pupil.
- Districts must track and report expenditures in order to provide the DE with the details necessary to calculate the equity payments and provide transportation data to state policymakers.
- General fund dollars spent on busing would otherwise pay for staff and teachers (salary, benefits, training, support), curriculum, programs, technology, and energy. RSAI members are grateful for this investment in equity and will watch that any changes to the formula maintain or improve upon transportation equity.
- Lack of resources in these areas creates an unequal educational opportunity for students in districts with high transportation costs.

Transportation Equity: maintain the commitment to transportation equity support without burdensome reporting requirements. General fund directed at transportation is not available to spend on teachers, curriculum and opportunities for students.

RSAI | 1201 63rd Street, Des Moines, IA 50311 | (515) 251-5970 | www.rsaia.org
Margaret Buckton, Professional Advocate, margaret.buckton@rsaia.org