

Educating Diverse Students in Iowa's Urban Communities
To Become Successful World Citizens

UEN 2017 Legislative Digest



June 30, 2017



UEN

The Urban Education Network of Iowa (UEN) is a consortium of Iowa's original charter member districts (the eight largest school districts with two or more high schools when the organization was established in 1993) and nine Associate Member districts. Combined, these seventeen districts enroll over 1/3 of Iowa's total public school enrollment.

Although the UEN was formed to represent the unique characteristics of Iowa's more urban districts, most UEN initiatives also address issues related to all of Iowa public schools.

Maintaining partnerships is vitally important to the mission of the UEN as well as all Iowa public school districts. These partnerships include, but are not limited to: School Administrators of Iowa, Iowa Association of School Boards, Iowa State Education Association, Rural School Advocates of Iowa, the AEAs of Iowa, Iowa PTA, Parents for Great Iowa Schools, and the Child and Family Policy Center. Nationally, the UEN partners with the American Association of School Administrators, National School Boards Association and the Urban Superintendents Association of America.

UEN member district involvement and leadership of school board members and superintendents is fundamental to the life and success of the Network. The concept of the UEN is unique and is based upon the interaction and support systems of our eight founding member districts, collaborating with other urban schools as Associate Members. Together, we address many challenges, unite to resolve common concerns and grow to become even more effective in serving all our students and communities. Visit the UEN home page to find out more: www.uen-ia.org

Together the original charter districts and Associate Member districts of the UEN:

- Establish and assertively support an annual legislative agenda
- Provide testimony regarding administrative rules development and other executive branch actions impacting urban education.
- Offer highly comprehensive and quality curriculum options to all students
- Share best practices and learn together regarding finance, educational program, special education, equity, human resources, communications and school services such as health services and food and nutrition through regular job-alike professional development and networking at no cost to member districts
- Contract with many other school districts to deliver education classes to students (i.e., special education, talented and gifted, career and technical education, etc.)
- Address the challenge of changing demographics on a daily basis
- Actively participate with local, regional and statewide organizations addressing the education agenda in Iowa
- Conduct ongoing practical research seeking answers to many challenges facing the students, staff and parents in Iowa's urban centers



- Identify and address major educational challenges, i.e. student achievement, teacher and administrator leadership, dropout prevention, English as a second language, career and technical as well as science, technology, engineering and math (STEM) programs, facilities, finance, technology, early literacy and early childhood

UEN Represents:

- A total population of 1,127,343 out of 3,074,970 Iowans (36.6%).
- A total of 611,097 working Iowans of 1,653,714, or 37.0% of Iowa's labor force.
- Deliver education in 293 school attendance centers, or 21.0% of state total K-12 attendance centers, including: 32 High schools, 48 Jr. High/Middle schools, 203 Elementary Schools, 4 Special education schools, 6 Alternative schools
- Additional specialized schools not included in the above: 1 Charter school, 10 Early childhood centers, 4 others
- Enroll 33.4% of Iowa's 483,451 PK-12 students (161,243 children and youth)
- Enroll 59.7% of Iowa's PK-12 students of color, including 74.6% of African American students and 53.4% of Iowa's PK-12 Hispanic Students
- Enroll 60.5% of Iowa's limited English speaking students
- Serve 44.3% of Iowa's K-12 low-income students (UEN enrollment of Free and Reduced Lunch eligible students is 54.9% of total UEN enrollment compared to the statewide average of 41%.)
- Employ 30.7% of Iowa's PK-12 certified staff
- Employ 25.0% of Iowa's school principals with an average contract length of 8 days more than the state average contract length.

Member Districts:

Council Bluffs
Waterloo
Dubuque
Iowa City
Sioux City
Davenport
Cedar Rapids
Des Moines Independent

Associate Member Districts:

Fort Dodge
Mason City
Ottumwa
Marshalltown
Muscatine
Cedar Falls
College
Southeast Polk
Linn-Mar

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2017-18 UEN Steering Committee Chair, Tom Ahart, Superintendent, Des Moines Schools, thomas.ahart@dmschools.org

Table of Contents

About UEN, History, Statistics, Contacts	Page 2
UEN 2017 Legislative Priorities & Status	Page 5
Legislative Session Approval and Veto Process	Page 7
Executive Summary: 2017 Session in Review	Page 8
State Budget Details	Page 10
State Tax Credits Expected Claims Projection	Page 12
Funding Formula History Resource & Enrolled Bills	Page 13
Appropriations Acts	
SF 166 State Supplementary Assistance	Page 14
SF 516 Standings Appropriations	Page 17
HF 642 Education Appropriations	Page 17
Student Achievement/Teacher Quality Allocations	Page 20
SF 130 Deappropriations for FY 2017	Page 21
Policy Bills Impacting PK-12 Education	
SF 234 Texting and Driving	Page 22
SF 238 Sexual Exploitation by School Employee	
SF 240 State Assessments	
SF 274 Governor's Computer Science Initiative	Page 23
SF 399 School Elections/Vacancy	
SF 438 Public Bid Requirements	
SF 499 Video Cameras in Bathrooms	
HF 217 Disciplinary Actions/Licensed Employees	Page 24
HF 291 Collective Bargaining Changes	
HF 295 Prohibiting County Minimum Wage	Page 25
HF 472 Teacher Loan Forgiveness Programs	
HF 473 High School Equivalency Program	
HF 518 Workers' Compensation	Page 26
HF 534 Child Care Facility Licensing	
HF 564 Categorical Flexibility	
HF 565 Education Super Flex Account	Page 27
HF 569 403b Investment Vehicles	Page 28
HF 573 Home Rule	
HF 566 School Elections	Page 29
Near Misses and Pending Issues	Page 30
Pending UEN Priorities	Page 31
School Choice Talking Points and Status	Page 32
2017 UEN Issue Briefs	Page 34
Section Analysis HF 291 Collective Bargaining	Page 48
Resolution Template: Transfer to Student Activity Fund	Page 53
DE Memo re; DOM Additional Reductions	Page 54
Legislative Studies Committee Action 2017 Interim Studies	Page 57
Advocacy and Other Legislative Resources	Page 58



The following **2017 Legislative Priorities** were established by the UEN Steering Committee during the UEN Annual Meeting, Nov. 16, 2016. See the UEN home page for details regarding the upcoming Nov. 15, 2017 Annual Meeting www.uen-ia.org. Status of this year's activity follows:

Invest in Iowa's Future: Adequate funding is required to fulfill the goal of restoring Iowa's first in the nation education status. Adequate funding is required to deliver world-class learning results for students. Adequate funding is required to develop a world-class workforce to secure Iowa's economic future. Iowa's investment in public education should mirror Iowa's economic growth and make up for shortfalls when the economy is robust. A strong school finance system requires commitment to the following principles:

- **Primacy:** Set the Supplemental State Aid (SSA) per pupil in compliance with state law. Setting SSA first in the budget process demonstrates the priority of education. If SSA is not set within legal timelines, the percent of SSA should default to an automatic rate determined by appropriate economic factors.
- **Adequacy:** Fund districts sufficiently to cover increasing costs.
- **Equity:** Create basic funding equity for all children by raising the per pupil allotment to the current maximum for all districts in the state. Maintain a commitment to property tax equity, address transportation needs, and provide resources to support at-risk, low-income, and non-English speaking students.
- **Flexibility:** Allow districts increased spending flexibility across all funding categories. Restricted funding inhibits local flexibility to meet the needs of all students. UEN supports local district authority to make decisions on behalf of students, staff and their community.
- **Supplement Not Supplant:** Do not authorize new categorical funding streams at the expense of current general fund allocations. New state programs such as teacher leadership, assessments, summer school or career and technical education should be adequately funded without sacrificing or supplanting regular program funding.
- **Expenditure Control:** Create balance between revenue and expenses. State funding levels must be a consideration for both management and labor when seeking settlements. The UEN supports management and/labor systems that result in improved student learning. The UEN supports the concept of a default system tied to Iowa's economic growth.

Several bills address the above priority:

Status: SF 166 Supplemental State Aid, set 1.11% increase in the state cost per pupil. The law no longer requires SSA be set in the legislative session a year preceding the start of the school year, so no action was taken on the FY 2019 state cost per pupil. Signed by the Governor Feb. 8, 2017. Although 1.11% is lower than district cost increases, given the revenue estimate reductions in March, UEN advocates are grateful that the legislature and governor did not revisit the SSA, choosing instead to use cash reserves to cover the FY 2017 shortfall.

Status: SF 455 Transportation/Formula equality was approved unanimously by the Senate, approved 22:1 by the House Education Committee, then assigned to the House Appropriations Committee, with a subcommittee recommending passage. The bill remains there, one of many bills stymied by the lower revenue estimate in March. The bill is alive for the 2018 Session.

Status: HF 291 Collective Bargaining was signed by the Governor on Feb. 17. This bill eliminated mandatory subjects of bargaining but for base wages. This UEN priority requests adequate funding to build a world-class workforce in Iowa's schools. If funding continues to be

low, school districts will not be able to set wages and benefits that reward and attract the workforce public school children depend on for a world-class education. Regarding the UEN condition of management/labor laws that positively impact student achievement, the effects remain to be seen.

- **Extend State Penny Sales Tax:** Eliminate the sunset permanently, allowing districts to maintain facilities and technology without needlessly increasing property taxes. Future state penny revenues should remain dedicated to schools and property tax equity/relief.

***Status:** HF 230 State Penny Extension was approved by a subcommittee of the House Ways and Means Committee, but remains there, alive for consideration in the 2018 Session.*

- **Student Mental Health Services:** Provide access to mental health services for students and clarify funding sources and responsibilities. Fund mental health student supports through the school foundation formula (student weighting, shared obligation across districts or AEAs provisions) and/or early childhood, human services and juvenile justice appropriations when appropriate.

Extraordinary Student Needs: Childhood Poverty / At-risk / English-Language Learner / Preschool Student Weighting: Support students from low-income or non-English speaking families or at-risk of dropping out through the school foundation formula. Fund districts based on student need. Give districts flexibility to identify students and direct funds to educate them. Invest early, increasing access to quality preschool programs, to prevent higher costs later.

***Status:** SF 8, Low Income Program Weighting, was introduced by Sen. Quirmbach, but did not have a subcommittee meeting. HF 267, by Nielson, et al., same story in the House. HF 564 Categorical Flexibility, expanded flexibility for at-risk and dropout prevention (which may be used to address mental health needs) and preschool, including the ability to pay for translators, a UEN priority. HF 642 Education Appropriations eliminated funding for the ELL Pilot Project, but maintained the investment in Early Literacy (slightly reduced level) and repealed the 3rd grade retention/summer school mandate, giving districts flexibility to direct the early literacy funds to programs with a sound research base and a solid return on investment.*

- **Assessment:** Fund an assessment system aligned to Iowa Standards. Implement the recommendation of the Assessment Task Force to use the Smarter Balanced Suite of Assessments, measuring progress along the way, including attainment and growth.

***Status:** SF 240 was signed by the Governor on May 11, 2017. Alignment to standards and growth are both included as criteria for award of the RFP. The removal of the legislature from the process of picking the test is positive. The RFP was released on June 20. To read it, visit the Iowa Department of Administrative Services [website](#) (bid number RFP1117282197.)*

- **District Authority:** School boards are responsible to make decisions on behalf of their students, staff and communities to meet the goals of their district.

***Status:** HF 573, Statutory Home Rule, was signed by the Governor on May 10, 2017. The bill grants home rule to local school boards, with 4 exceptions, and requires statutes be interpreted broadly to effectuate the purposes of the legislation. Additionally, HF 564 Categorical Flexibility and HF 565 Flexibility Account Fund, both provide additional flexibility to school districts to best spend funds on education of students as the district determines.*

Legislative Session Approval and Veto Process

The 2017 Legislative Session drew to a close on April 22, 2017. Although 1,554 bills and 652 amendments were introduced in the Iowa Legislature this Session, 174 pieces of legislation made it to the Governor's desk.

This Digest details legislation enacted by the 2017 Legislature and signed or vetoed by the Governor. In preparation for next year, we include a listing and explanation of some of the significant education and tax policy bills that moved through the process, ultimately not passing, which may resurface in the future. The information section of this digest includes Issue Briefs on issues of key interest to Iowa schools that guided UEN advocates during the Session. The 2017 Session was the first of the two-year biennium of the 87th Iowa General Assembly. During the 2018 Legislative Session, bills that were introduced this year and moved partially through the process (approved during floor debate in the chamber of origin in the prior year) remain eligible for consideration. SF 455 Transportation and Formula Equity is a good example of a bill left in committee at the conclusion of the 2017 Session that will remain in play for discussion next year, and is a priority for UEN members.

Process for Signature: The Governor has 30 days to review all legislation passed by the Legislature in the closing days of the Session:

- Bills received by the Governor during the last three calendar days of session (except Sundays) must be signed or vetoed within 30 calendar days. The deadline for Governor's action was Monday May 22. *The Governor completed his action on May 12.*
- The Governor may exercise three types of vetoes: the veto, item veto, and pocket veto.
 - **Veto** indicates the Governor's disapproval of an entire bill.
 - **Item veto** may be used only for bills which appropriate funds. This action strikes a specific item of an appropriations bill.
 - **Pocket veto** occurs when the Governor fails to take action within 30 calendar days on a bill received within the last three calendar days of session (except Sundays). The entire bill fails to become law in this situation. This rule is in contrast to the process during the Session prior to the last three days, wherein lack of action within three days means the bill becomes law.
- The Legislature may petition to convene a special session, which requires signatures of 2/3rds of the legislators. Additionally, the Iowa Constitution requires a 2/3rds majority vote in both chambers to override a veto.
- Lt. Governor, Kim Reynolds, was sworn in as Iowa's 43 governor on May 24, 2017, as Governor Branstad resigned to accept the position of US Ambassador to China.

Executive Summary - 2017 Session in Review

This was an exciting year of advocacy for the Urban Education Network, with inroads in the areas of district flexibility as a priority that made significant progress. In what turned out to be a very challenging legislative session, UEN members were effective in building urgency, yet still have much work to do in the key areas of funding, transportation/formula equality, extraordinary student need, and extending the statewide penny.

Strained Budgets: The Revenue Estimating Conference lowered revenue growth estimates in both December 2016 and March 2017. Legislators balance the budget by reducing state expenditures and borrowing funds (\$131 million) from the cash reserve fund as the last revenue adjustment happened so late in the fiscal year as to make additional reductions difficult. The Legislative Services Agency Monthly Revenue Memo through May 30 anticipates additional revenue shortfall, estimating the state general fund will close the fiscal year nearly \$100 million short of the latest revenue estimate.

Although restricted revenue growth hampered UEN priorities of transportation/formula equity from moving forward, the tight budget stymied the conversation on state investment in school choice, also known as educational savings accounts or vouchers. Given the conversation at the national level and a strong and active lobbying presence in Iowa, school choice/voucher legislation is likely to move forward in the next session, absent sufficient advocacy to balance out the messages communicated by nonpublic schools and home school families.

Expect tight budgets to continue unless Senators and Representatives revisit the revenue side of the equation.

Observations of the 2017 Session:

- Conservative Budget Principles limited appropriations with low revenue growth as revenue reductions (tax cuts), larger than anticipated growth in tax credits and a soft farm economy delivered lower growth than would have otherwise occurred. This table shows the changes in the Revenue Estimating Conference from October 2016 through March 2017:

REC Meeting	October	December	March
2017 Revenue Growth	5.6%	4.2%	2.7%
2018 Revenue Growth	4.1%	4.8%	3.6%
2019 Revenue Growth			3.6%

- **Tax Credits:** House Republican Appropriations and Ways and Means Committee chairs began conversations reviewing the growth in tax credits. Although initially promising as a means to restore revenue growth commensurate with our state's economic growth, a closer look at proposals showed dedicated savings from curtailing tax credit growth would be directed to a taxpayer relief fund rather than made available to support essential state appropriations such as education.
- **Republican Control:** Pent up conservative agenda items received support of policymakers, with all three entities, the House, the Senate and the Governor's office, led by Republicans. Extreme restriction of nonpublic safety government employees collective bargaining, changes to workers' compensation, elimination of municipal governments' authority to set a minimum wage, legalizing the sale of fireworks, and elimination of state funding for health clinics that provide abortion services were among the most contentious debates sending legislation to the Governor's desk.
- **Flexibility:** Expanding the uses of school categorical funds, creating a flexibility funding account to use some ending categorical balances for school priorities, and statutory home rule were among the biggest changes in school board authority to flexibly address the needs of students and stakeholders in their communities.
- **Elimination of unfunded mandates:** The mandate to retain third graders not proficient in reading and the repeal of the mandate requiring mentoring and induction programs (with the elimination of the teacher quality allocation to fund it) demonstrated a philosophy that unfunded mandates were not going to be allowed. Even the new state assessment required in SF 240, first to be required in the Spring of 2019, was accompanied by flexibility in the Professional Development per pupil supplements to pay for the costs of state testing (if PD is included.)
- **Continued low funding:** This year's 1.11% increase in the state cost per pupil is the third lowest in the history of the formula (1.0% in 2002-03 and 0.0% in 2011-12 were the only two instances lower than the 2017-18 school year rate.) However, other state government functions suffered significant reductions in funding. Despite the March REC lowering the revenue estimate, the legislature did not revisit the commitment of \$40 million to school aid. They also kept in place, with only modest reductions, most line-items supporting public schools. The exceptions are noted in the detailed explanation of HF 642 Education Appropriations and SF 516 Standing Appropriations in this Digest.

Budget Summary: Projected Condition of the State's General Fund Budget: the following is the LSA's General Fund Balance Sheet which shows the expenditure limitation, total appropriations, and estimated ending surplus of \$1.6 million for FY 2017 and \$28.1 million for FY 2018: <https://www.legis.iowa.gov/docs/publications/EOS/857783.pdf>

State of Iowa							
Projected Condition of the General Fund Budget							
(Dollars in Millions)							
	Actual FY 2016	FY 2017		FY 2018		FY 2019	
		Revised Gov Rec	Legis. Action	Revised Gov Rec	Legis. Action	Revised Gov Rec	Legis. Action
Resources:							
Receipts (Dec Est)	\$ 6,921.1	\$ 7,211.9	\$ 7,211.9	\$ 7,556.3	\$ 7,556.3	\$ 7,858.6	\$ 7,858.6
March REC Adjustment		- 105.9	- 105.9	- 191.8	- 191.8	- 232.1	- 232.1
Net Receipts	6,921.1	7,106.0	7,106.0	7,364.5	7,364.5	7,626.5	7,626.5
Revenue Adjustments	0.0	131.1	132.0	18.9	6.0	0.0	6.1
Subtotal Receipts	6,921.1	7,237.1	7,238.0	7,383.4	7,370.5	7,626.5	7,632.6
Surplus Carryforward (EEF Excess)	367.3	18.2	18.2	0.0	0.0	0.0	76.6
Total Available Resources	\$ 7,288.4	\$ 7,255.3	\$ 7,256.2	\$ 7,383.4	\$ 7,370.5	\$ 7,626.5	\$ 7,709.2
Expenditure Limitation				\$ 7,308.9	\$ 7,296.7	\$ 7,550.2	\$ 7,632.7
Estimated Appropriations and Expenditures:							
Appropriations	\$ 7,174.3	\$ 7,352.3	\$ 7,352.3	\$ 7,456.9	\$ 7,268.6	\$ 7,283.6	\$ 2,441.8
Adjustment to Standing Appropriations	8.1	- 4.5	- 4.5	0.0	0.0	0.0	0.0
Appropriation Adjustments	0.0	0.0	0.0	- 173.3	0.0	236.5	0.0
Supplemental/Deappropriations	72.4	- 88.2	- 88.2	0.0	0.0	0.0	0.0
Total Appropriations	\$ 7,254.8	\$ 7,259.6	\$ 7,259.6	\$ 7,283.6	\$ 7,268.6	\$ 7,520.1	\$ 2,441.8
Reversions	- 10.5	- 5.0	- 5.0	- 5.0	- 5.0	- 5.0	- 5.0
Net Appropriations	\$ 7,244.3	\$ 7,254.6	\$ 7,254.6	\$ 7,278.6	\$ 7,263.6	\$ 7,515.1	\$ 2,436.8
Ending Balance - Surplus	\$ 44.1	\$ 0.7	\$ 1.6	\$ 104.8	\$ 106.9	\$ 111.4	\$ 5,272.4
Under (Over) Expenditure Limitation				\$ 25.3	\$ 28.1	\$ 30.1	\$ 5,190.9

Budget Details: Estimated Position of State's Cash Balance for FY 2017: The state's Cash Reserve Fund, which is limited by law to a maximum of 7.5% of total budget, is calculated to be \$422.4 million at the end of FY 2017, below the maximum \$553.5 million. This is due to the legislature's transfer of \$131.1 million to the state General Fund for FY 2017, rather than making additional deappropriations in the last quarter of the fiscal year.

The Economic Emergency Fund, after transfer of \$17.0 million to the Executive Council for performance of duty and a transfer of \$18.2 million excess to the General Fund, is full at \$184.5 million, which is the maximum 2.5% allowed in Iowa law (according to the [LSA end of session balance sheet](#)). The combined reserve fund balances are estimated to be \$738.0 million on the end of FY 2017. That amount was calculated by the LSA before end of May predictions that lower than expected revenue growth would likely continue.

The LSA's Monthly Revenue Memo, through May 31, 2017, indicates that revenues will continue to lag expenditures, by an estimated \$100 million more than anticipated by the March REC. Governor Reynolds indicated her preference to avoid an across-the-board cut, preferring targeted expenditure reductions. The Governor and Legislature could avoid taking any action, causing the combined reserve funds to end the fiscal year \$100 million lower than expected. The reserve fund balances from the LSA document at the end of Session follows:

State of Iowa Reserve Funds

(Dollars in Millions)

Cash Reserve Fund (CRF)	Actual FY 2016	FY 2017		FY 2018		FY 2019	
		Revised Gov	Legis. Action	Revised Gov	Legis. Action	Revised Gov	Legis. Action
Funds Available							
Balance Brought Forward	\$ 523.3	\$ 539.2	\$ 539.2	\$ 422.4	\$ 422.4	\$ 423.1	\$ 444.0
Gen. Fund Appropriation from Surplus	410.7	44.1	44.1	0.7	1.6	104.8	106.9
Intrastate Receipts (credited after close of FY)	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Special General Fund Appropriations	0.0	0.0	0.0	0.0	20.0	26.3	111.1
Total Funds Available	<u>\$ 934.2</u>	<u>\$ 583.3</u>	<u>\$ 583.3</u>	<u>\$ 423.1</u>	<u>\$ 444.0</u>	<u>\$ 554.2</u>	<u>\$ 662.0</u>
Reversions (credited after close of fiscal year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund Transfer	0.0	- 131.1	- 131.1	0.0	0.0	0.0	0.0
Excess Transferred to EEF	- 395.0	- 29.8	- 29.8	0.0	0.0	0.0	- 89.6
Balance Carried Forward	<u>\$ 539.2</u>	<u>\$ 422.4</u>	<u>\$ 422.4</u>	<u>\$ 423.1</u>	<u>\$ 444.0</u>	<u>\$ 554.2</u>	<u>\$ 572.4</u>
Maximum 7.5%	\$ 539.0	\$ 553.5	\$ 553.5	\$ 553.8	\$ 552.8	\$ 572.0	\$ 572.4
Economic Emergency Fund (EEF)							
Funds Available							
Balance Brought Forward	\$ 174.5	\$ 189.9	\$ 189.9	\$ 184.5	\$ 184.5	\$ 181.1	\$ 181.1
Excess from Cash Reserve	395.0	29.8	29.8	0.0	0.0	0.0	89.6
Other Receipts (credited after close of fiscal year)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funds Available	<u>\$ 569.5</u>	<u>\$ 219.7</u>	<u>\$ 219.7</u>	<u>\$ 184.5</u>	<u>\$ 184.5</u>	<u>\$ 181.1</u>	<u>\$ 270.7</u>
Appropriations & Transfers							
Excess Transferred to Taxpayer Trust Fund	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Executive Council - Performance of Duty	- 12.3	- 17.0	- 17.0	- 3.4	- 3.4	- 3.3	- 3.3
Special Transfer to General Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excess Transferred to General Fund	- 367.3	- 18.2	- 18.2	0.0	0.0	0.0	- 76.6
Balance Carried Forward	<u>\$ 189.9</u>	<u>\$ 184.5</u>	<u>\$ 184.5</u>	<u>\$ 181.1</u>	<u>\$ 181.1</u>	<u>\$ 177.8</u>	<u>\$ 190.8</u>
Maximum 2.5%	\$ 179.7	\$ 184.5	\$ 184.5	\$ 184.6	\$ 184.3	\$ 190.7	\$ 190.8
Combined Reserve Fund Balances							
Cash Reserve Fund	\$ 539.2	\$ 422.4	\$ 422.4	\$ 423.1	\$ 444.0	\$ 554.2	\$ 572.4
Economic Emergency Fund	189.9	184.5	184.5	181.1	181.1	177.8	190.8
Total CRF and EEF	<u>\$ 729.1</u>	<u>\$ 606.9</u>	<u>\$ 606.9</u>	<u>\$ 604.2</u>	<u>\$ 625.1</u>	<u>\$ 732.0</u>	<u>\$ 763.2</u>
Statutory Maximum							
Cash Reserve Fund	\$ 539.0	\$ 553.5	\$ 553.5	\$ 553.8	\$ 552.8	\$ 572.0	\$ 572.4
Economic Emergency Fund	179.7	184.5	184.5	184.6	184.3	190.7	190.8
Total CRF and EEF	<u>\$ 718.7</u>	<u>\$ 738.0</u>	<u>\$ 738.0</u>	<u>\$ 738.4</u>	<u>\$ 737.1</u>	<u>\$ 762.7</u>	<u>\$ 763.2</u>

Expenditure Limitation: The FY 2018 net budget appropriation is \$7,268.6 million (or \$7.27 billion), which is below the FY 2017 adjusted appropriation amount of \$7,345.6 million. That is \$200,000 below the 99% expenditure limitation. The Legislature and Governor are required by Iowa law to approve a budget no greater than 99% of estimated revenues, including carry forward balances, unless they agree to not withstand that requirement in both the House and the Senate, with Governor's signature.

State of State Revenues: LSA's July 1 Monthly General Fund Revenue Memo information will be shared when available. It provides the analysis of state General Fund Revenues through June 30, 2017.

State Tax Credit Expected Claims Projection: As revenues have lagged expectations, attention has been directed to tax credits. The following chart from the LSA budget documents shows the expected growth in the credits from FY 2016 through FY 2018. The \$57.9 million growth in capped programs represents a 43% increase in just two years. The uncapped programs growth of \$14.9 million represents a 6.7% growth.

State Tax Credit Expected Claims Projection

(Dollars in Millions)

Tax Credit Program	FY 2016	FY 2017	FY 2018
<u>Capped Programs</u>			
Accelerated Career Education Tax Credit	\$ 4.3	\$ 3.9	\$ 3.9
Agricultural Assets Transfer Tax Credit	3.4	4.8	5.5
Custom Farming Contract Tax Credit	0.0	0.1	0.2
Endow Iowa Tax Credit	5.3	5.1	5.1
Enterprise Zone Program	7.9	7.1	3.9
Enterprise Zone Program - Housing Component	12.9	16.9	10.8
High Quality Jobs Program	38.2	40.1	52.1
Historic Pres. and Cultural and Entertainment District Tax Credit	36.5	59.3	57.8
Redevelopment Tax Credit	3.1	7.2	7.5
Renewable Energy Tax Credit	5.3	6.1	8.3
School Tuition Organization Tax Credit	10.7	11.3	11.4
Solar Energy System Tax Credit	3.1	3.7	3.8
Venture Capital Tax Credit - Innovation Fund	2.0	1.8	3.2
Venture Capital Tax Credit - Iowa Fund of Funds	0.9	1.2	0.0
Venture Capital Tax Credit - Qualified Bus. or Comm.- Capital Fund	1.1	2.1	2.1
Venture Capital Tax Credit - Venture Capital Funds	0.0	0.0	0.0
Wind Energy Production Tax Credit	0.8	2.2	1.8
Workforce Housing Tax Incentive Program	0.0	1.8	15.9
Total Capped Programs	\$ 135.4	\$ 174.6	\$ 193.3
<u>Uncapped Programs</u>			
Adoption Tax Credit	\$ 0.4	\$ 0.5	\$ 0.9
Biodiesel Blended Fuel Tax Credit	15.4	18.0	17.8
Charitable Conservation Contribution Tax Credit	0.4	0.7	0.7
Child and Dependent Care Tax Credit	5.7	6.7	6.5
E15 Gasoline Promotion Tax Credit	0.1	0.4	0.5
E85 Gasoline Promotion Tax Credit	1.9	2.0	2.4
Early Childhood Development Tax Credit	0.7	0.7	0.7
Earned Income Tax Credit	71.9	71.3	70.5
Ethanol Promotion Tax Credit	1.8	1.3	1.2
Farm to Food Donation Tax Credit	0.0	0.0	0.0
Geothermal Heat Pump Tax Credit	1.6	2.5	0.4
Geothermal Tax Credit	0.0	0.0	1.5
Iowa Industrial New Job Training Program (260E)	38.9	42.6	43.8
New Capital Investment Program	0.0	0.0	0.0
New Jobs and Income Program	0.0	0.0	0.0
Research Activities Tax Credit	55.3	56.8	62.7
Supplemental Research Activities Tax Credit	6.9	6.3	5.6
Targeted Jobs Tax Credit from Withholding	5.9	5.7	6.8
Tuition and Textbook Tax Credit	15.5	15.1	15.2
Volunteer Firefighter and EMS Tax Credit	1.4	1.3	1.3
Total Uncapped Programs	\$ 223.8	\$ 232.1	\$ 238.7
Tax Credit Program Total	\$ 359.3	\$ 406.7	\$ 432.0

Notes:

These estimates are based on the Tax Credit Expected Claims Projection published by the Department of Revenue in December 2016. The table above reflects the tax credits that are likely to be claimed in a given fiscal year based on previous experience. The projected claims are incorporated in the FY 2017 and FY 2018 REC revenue estimates.

The numbers may not equal totals due to rounding.

Funding Formula History: The June 11, 2014 edition of the LSA's Fiscal update also includes a reference to historical changes in school finance funding provisions. The LSA document reflects legislative action through the 2014 Legislative Session. The document provides a brief summary of the provisions from 1971 to present and is available on the LSA website at:

https://www.legis.iowa.gov/docs/LSAReports/k12Education/PublicSchlFunding_LawChanges_1971_to_Present.pdf

Enrolled Bills: The following bills impacting Education have been signed by the Governor unless there is a note detailing veto action. The Enrolled bills explained below are organized into Appropriations and Policy Acts.

A list of bills that received action but were not enacted follows under the Near Misses & Pending Issues section of this Digest. For access to the complete text and effective dates of all legislation approved or vetoed by the Governor, check the [enrolled bills](#) link on the legislative website.

APPROPRIATIONS ACTS

2017 Funding/Appropriations Bills Impacting Education

State Supplemental Assistance: SF 166 set the cost per pupil and categorical program supplement costs per pupil for the 2017-18 school year. The increase was 1.11% per pupil, or \$73 per pupil more compared to the 2016-17 school year.

A spreadsheet indicating the fiscal impact of SF 166 for each district is found here:
http://iowaschoolfinance.com/system/files/members/Excel/New%20Money%20Report%20FY%202018_0.xlsx

Details of the cost per pupil decision:

- Fiscal Note: <https://www.legis.iowa.gov/docs/publications/FN/852129.pdf>
- Sets a 1.11% increase in the state cost per pupil (\$6,591 + \$73 = \$6,664). This percentage increase is also applied to AEA cost per pupil.
- Sets a 1.11% increase in the per pupil supplements: The fiscal note explains:
 - **State Categorical Supplements.** The State categorical supplements are funded entirely through State aid and generate funds for each school district and AEA through the school aid formula on a per pupil basis. The FY 2017 State cost per pupil funding levels for the teacher salary supplement (district and AEA), professional development supplement (district and AEA), and early intervention supplement (district only) will be increased by a 1.11% State percent of growth for FY 2018.
 - FY 2018 is the final year that the teacher leadership supplement (TLS) for the Teacher Leadership and Compensation (TLC) System will be rolled into the school aid formula, the end of a three-year process.

Property Tax Relief: The total cost to the state is \$46.7 million in property tax replacement payment (PTRP) funding. This is an increase of \$5.3 million compared to FY 2017 and an increase of \$9 per student, bringing the total impact to \$83 per pupil. SF 166 maintained the freeze of the additional levy portion of the formula at \$750 per pupil which has been in place since FY 2014, which at that time, provided property tax relief of \$15 per pupil.

Revenue Mix: The FY 2018 formula cost is funded by both state and local funds.

- **State funds:** The Combined District Cost (including special education, preschool, the categorical funds, supplementary weightings, AEA funds, budget guarantee dropout prevention and \$.9.5 million excess from SAVE for property tax relief) requires a total of \$3,208 million, which is an increase of \$109 million on the fiscal note. Note: \$54 million of this increase due to moving the last third of districts TLC program previously funded by grant dollars from the education appropriations bill into the formula. Additionally, the fiscal note assumes restoration of the \$15 million continued reduction to the AEAs which was repeated in the standings appropriations bill. The net cost increase to the state is an estimated \$40 million after those adjustments are made.
- **Property taxes:** The Combined district cost as described above requires a total of \$1,476.7 million in local property taxes (generated by the \$5.40 uniform levy and the additional levy of \$750 per pupil). This is an increase of \$55.36 million. Note: with

the 1.11% increase in the cost per pupil, at a total cost of \$23.6 million to local property tax payers, which is an increase of \$13.2 million.

- **Property Tax Reform:** State funds are appropriated to replace Commercial Industrial Property reform valuation impacts on school budgets not included in the state funds totals above. There is \$18.5 million in uniform levy replacement and \$15 million in additional levy replacement, for a total of \$33.5 million.

Categorical Funds: The 1.11% increase in per pupil supplements, also known as categoricals, included in SF 166, provides a total of \$520.5 million statewide, for an increase of \$59.9 million (12.9%). This includes \$295.2 million for the teacher salary supplement, \$33.5 million for the professional development supplement, \$34.5 million for the early intervention supplement, and \$157.4 million for the teacher leadership supplement (new school aid funding provision beginning in FY 2016 now fully phased into the formula for FY 2018). Just over 90% of the total increase is in this last category, as the final third of the state rolls their TLC grants into the formula.

Budget Guarantee: This is a 1% growth guarantee in regular program spending authority from one year to the next, not including any previous year's budget guarantee amount, but resets annually. Thus the 1% cushion is temporary. FY 2018 budget guarantee stats:

- In FY 2017, 110 districts were on Budget Guarantee (\$10.4 million)
- In FY 2018, 179 districts will be on Budget Guarantee (\$23.6 million)
- Funded entirely with property taxes
- There is a budget guarantee for per pupil supplements, too.
- It is funded entirely with state aid.
- It provides each district and AEA with a minimum of the previous year's level of funding (net of any previous year's budget guarantee amount.)
- Total cost for the per pupil supplements budget guarantee is an increase of \$1.95 million

The Governor signed SF 166 on Feb. 8, 2017. UEN was registered opposed as the funding level is not adequate to sustain the quality of education Iowa students need for future success. However, UEN members should acknowledge the fact that the Legislature and Governor did not make additional deappropriations during the session that impacted school aid or revisit the 1.11% increase after the REC lowered the FY 2018 revenue estimate.

The following table, from the [LSA Fiscal Note](#), Feb. 1, 2017, shows the detail of state funding and property tax impacts, associated with the 1.11% increase in the State Cost per Pupil for both regular program and categorical funds:

Legislative Services Agency: FY 2018 School Aid Estimates (Statewide Totals in Millions)

State Supplemental Aid Rate
1.11%

State Cost Per Pupil \$6,664
Total Increase \$73.00

Program Funding:	FY 2017	Est. FY 2018	Est. Change	% Change
Regular Program District Cost	\$ 3,197.43	\$ 3,244.09	\$ 46.66	1.46%
Regular Program Budget Adjustment	10.43	23.64	13.21	126.64%
Supplementary Weighting (District)	88.83	91.45	2.63	2.96%
Special Education Instruction (District)	414.55	430.28	15.73	3.79%
Teacher Salary Supplement (District)	274.89	279.40	4.51	1.64%
Professional Development Supplement (District)	31.15	31.66	0.51	1.64%
Early Intervention Supplement (District)	33.91	34.47	0.56	1.64%
Teacher Leadership Supplement (District)	103.42	157.41	53.99	52.20%
<i>AEA Special Ed Support District Cost</i>	158.24	160.96	2.72	1.72%
<i>AEA Special Ed Support Adjustment</i>	1.38	1.51	0.13	9.48%
<i>AEA Media Services</i>	27.91	28.31	0.40	1.44%
<i>AEA Ed Services</i>	30.85	31.29	0.44	1.43%
<i>AEA Sharing</i>	0.03	0.00	-0.03	-100.00%
<i>AEA Teacher Salary Supplement</i>	15.47	15.75	0.28	1.81%
<i>AEA Professional Development Supplement</i>	1.81	1.85	0.03	1.85%
<i>AEA Statewide State Aid Reduction</i>	-26.25	-7.50	18.75	71.43%
Dropout and Dropout Prevention	113.74	115.36	1.62	1.42%
Combined District Cost	\$ 4,477.30	\$ 4,639.94	\$ 162.64	3.63%
Statewide Voluntary Preschool Program	\$ 76.38	\$ 78.05	1.67	2.19%

State Aid:	FY 2017	Est. FY 2018	Est. Change	% Change
Regular Program	\$ 1,940.80	\$ 1,946.54	5.74	0.30%
Supplementary Weighting	77.38	79.68	2.30	2.97%
Special Education Weighting	361.39	375.14	13.75	3.81%
State Categorical (AEA and District)	460.68	520.53	59.85	12.99%
<i>AEA Special Education Support Services</i>	125.08	126.93	1.85	1.48%
<i>AEA Statewide State Aid Reduction</i>	-26.25	-7.50	18.75	71.43%
Property Tax Adjustment Aid (1992)	8.78	8.41	-0.37	-4.23%
Property Tax Replacement Payment (PTRP)*	41.41	46.74	5.34	12.89%
Adj. Additional Property Tax - General Fund	24.00	24.00	-	0.00%
Statewide Voluntary Preschool Program	76.38	78.05	1.67	2.19%
State Aid from General Fund	\$ 3,089.63	\$ 3,198.53	\$ 108.90	3.52%
Excess from SAVE Fund	9.50	9.50	-	0.00%
Total State Aid (Includes Non-General Fund)	\$ 3,099.11	\$ 3,208.06	\$ 108.95	3.52%

Local Property Tax:				
Uniform Levy Amount	\$ 827.82	\$ 863.83	\$ 36.01	4.35%
Additional Levy	593.47	612.83	19.35	3.26%
Total Levy to Fund Combined District Cost	\$ 1,421.30	\$ 1,476.66	\$ 55.36	3.90%
Comm/Ind - Uniform Levy Replacement	19.66	18.52	-1.14	-5.82%
Comm/Ind - Additional Levy Replacement	14.53	14.95	0.42	2.90%

Miscellaneous Information:				
Budget Enrollment	483,450.90	485,147.30	1,696.40	0.35%
Number of Districts with Budget Adjustment	110	179	69	62.73%
Percent of Districts with Budget Adjustment	33%	54%		
Property Tax Relief Payment Per Student	\$ 74.00	\$ 83.00	\$ 9.00	12.16%
AEA Funding	\$ 209.40	\$ 232.17	\$ 22.77	10.87%

Notes:

Totals may not sum due to rounding.

SF 516 Standings Appropriations: The LSA's Notes on Bills and Amendments, <https://www.legis.iowa.gov/docs/publications/NOBA/857483.pdf> explains: this bill provides adjustments to several General Fund standing appropriations and results in a net decrease in appropriations of \$12.5 million for FY18 and \$2.4 million for FY19. The bill also transfers \$131.1 million from the Cash Reserve Fund to the General Fund for FY17. Specific changes:

- Limits FY18 and FY19 appropriations to DE for nonpublic school transportation to \$8.2 million.
- Limits FY18 and FY19 standing appropriations to DE for the Sac and Fox Indian Settlement to \$96,000.
- Suspends the General Fund standing appropriation of \$14.8 million to DE for the Instructional Support Program for FY18 (this practice has been ongoing since 2010).
- Reduces the FY18 State school aid funding to AEAs by \$15.0 million (although this underfunding of AEAs has been ongoing for several years, this is slightly better than last year's reduction of \$18,750,000. There is an additional reduction of \$7.5 million that is written into Iowa statute which also continued from prior years.
- Transfers \$131.1 million from the Cash Reserve Fund to the General Fund for FY17. FISCAL IMPACT: The transfer is necessary to bring the FY 2017 General Fund budget into balance. The current balance in the Cash Reserve Fund, prior to this transfer, is \$553.5 million. This transfer reduced the balance to \$422.4 million as shown in the reserve balances section on page 11 of this Digest.
- Appropriates \$20.0 million from the General Fund to the Cash Reserve Fund for FY18.

UEN was registered as undecided on the bill, opposed to the continued reductions to the AEAs and Instructional Support, but in favor of using cash reserve to balance the FY17 budget.

HF 642 Education Appropriations: Here's the link to the annotated Notes on Bills and Amendments, [NOBA](#), which reports:

"FY 2018: Appropriates a total of \$908.4 million from the General Fund and 12,287.3 FTE positions for FY 2018 to the Department for the Blind, the College Student Aid Commission, the DE, and the Board of Regents. This is a decrease of \$70.1 million and 452.9 FTE positions compared to estimated net FY 2017."

Of the \$70.1 million decrease, \$52 million is due to elimination of Teacher Leadership and Compensation grants, which shows as a decrease here, but is truly a wash to the budget since TLC is funded in the formula (standings appropriations bill) beginning in FY 2018. Additionally, about \$4.0 million of that reduction comes from elimination of the Mentoring and Induction allocation out of SATQ. Just under \$10 million is decreased to regents' institutions (universities). The bill cuts \$3.0 million from the College Student Aid Commission, plus a \$2.0 million decrease to AEAs which previously supported school districts in Teacher Leadership and Compensation and Iowa Core Curriculum implementation. (This bill does not make any reductions to the professional development supplement, of which a portion is used by school districts to implement the Iowa Core.)

New Programs: A new appropriation of \$250,000 for FY 2019 to DE for the Computer Science PD incentive Fund.

Eliminated Programs: Regional Telecommunications Councils, Administrator Mentoring and Coaching, English Language Literacy Grant Program, AEA TLC Support System and Core

Implementation, Competency-Based Education pilots, Teacher Mentoring and Induction, Summer school and 3rd grade retention mandate, and Community College Salary Support.

Delayed Program: \$10 million for High Needs School grants is delayed until FY 2019.

There are both significant funding and policy changes included in this bill. Those of interest to PK-12 school leaders include:

- **Early Childhood:**
 - Changes to Early Childhood Iowa (ECI) funding include an increase of \$17.0 million for the Early Childhood Iowa (ECI) general aid and elimination of the individual appropriations for the ECI Preschool Tuition Assistance and ECI Family Support and Parent Education, combining all three into a single appropriation. Total funding change for FY 2018 is a **decrease of \$143,000**.
 - A **decrease of \$26,000** for Early Head Start Projects.
 - A **decrease of \$1.4 million** for the Child Development Program (funds Shared Visions Preschool and Shared Visions Parent Support).
- A **decrease of \$52.0 million** in the appropriation for Student Achievement/Teacher Quality. Beginning in FY 2018, the TLC program is funded entirely through the school aid formula. TQ Allocations changes also include:
 - A new allocation of \$25,000 for Fine Arts mentoring program (eliminates the line-item appropriation of \$25,000 for the program)
 - Allocates of up to \$774,316 funding level for career development and evaluator training. This is a decrease of \$12,500 from the previous allocation.
 - Allocates up to \$1,123,910 for Teacher Development Academies. This is a decrease of \$12,500 from the previous allocation.
 - Delays the allocation of \$10,000,000 to high needs schools until FY 2019.
 - Elimination of the Mentoring and Induction allocation is a reduction of \$4.0 million. (See the allocations table at the conclusion of this section on appropriations bills for history of student achievement/teacher quality and teacher leadership and compensation implementation and funding.)
- A decrease of \$175,000 for Early Literacy - Successful Progression for Early Readers.
- An **increase of \$1.7 million** for Community Colleges General Aid (although this seems like a large increase when other items are reduced, it does not fully restore the FY 2017 deappropriations impacting Community Colleges earlier in the session.)

The following policy changes are included in the bill:

- **Teacher Shortage Loan Forgiveness Program:** Beginning in FY 2018, the Program will not accept new applications but may continue renewing loan forgiveness for previous recipients. Funding is lowered from \$392,452 to \$200,000 for FY 2018. (Note: Teach Iowa Scholars loan payment program is funded at \$400,000, same as FY 2017)
- **3rd Grade Retention and Summer School:** Rescinds statutory requirements regarding summer reading programs and the requirements for 3rd grade retention. Also rescinds the requirement that districts with 15% or more of students not proficient in reading by the end of 3rd grade include strategies in their CSIP to address the problem. Requires that school districts continue interventions for students not proficient in reading in 3rd grade until they are proficient, in grades beyond 3rd grade.
- **New Voluntary Teacher Mentoring/Induction:** Rescinds statutory requirements for teacher mentoring/induction programs and creates a voluntary teacher mentoring/induction option, which may be paid for by professional development funds at the school district level. (May also be funded with TLC funds if included in the district's plan for TLC.) Removes code sections requiring completion of mentoring in order to receive a career teacher license

(career licensure will be based on completion of mentoring if a district continues it or successfully completing two comprehensive evaluations in a TLC district.)

Specific HF 642 items of interest to school leaders follow:

	Actual 2016	Estimated Net FY17	Gov. Rec FY18	HF 642	HF 642 – Estimate Net FY17
Teacher Shortage Loan Forgiveness	\$1,721	\$392,452	\$392,452	\$200,000	-192,452
Teach Iowa Scholars	\$400,000	400,000	400,000	400,000	0
DE Administration	\$6,304,047	5,964,047	6,052,148	5,964,047	0
Career Technical Education Administration	\$598,197	598,197	598,197	598,197	0
Career Technical Education Secondary	\$2,630,134	2,630,134	2,630,134	2,630,134	0
Food Service	\$2,176,797	2,176,797	2,176,797	2,176,797	0
ECI (Early Childhood Iowa) General Aid	\$5,386,113	5,180,009	5,157,203	22,162,799	16,982,790
ECI Preschool Tuition Assistance	\$5,428,877	5,225,294	5,166,650	0	-5,225,294
ECI Family Support and Parent Ed	\$12,364,434	11,900,768	11,838,946	0	-11,900,768
Special Ed. Services Birth to 3	\$1,721,400	1,721,400	1,721,400	1,721,400	0
Nonpublic Textbook Services	\$650,214	650,214	740,214	650,214	0
Student Achievement/Teacher Quality	\$57,391,351	55,184,351	3,395,667	3,395,667	-51,788,684
Jobs For America's Grads	\$700,000	700,000	666,188	666,188	-33,812
Attendance Center/Data Systems	\$250,000	250,000	250,000	250,000	0
Administrator Mentoring	\$1,000,000	289,441	500,000	0	-289,441
English Language Learner Pilots	\$500,000	481,250	478,750	0	-481,250
On-line State Job Posting System	\$250,000	230,000	230,000	230,000	0
Council and Task Force Support	\$25,000	0	0	0	0
AEA Support System Teacher Leadership	\$1,000,000	1,000,000	957,500	0	-1,000,000
Successful Progression for Early Readers	\$8,000,000	8,000,000	7,824,782	7,824,782	-175,218
Early Literacy Warning System	\$2,000,000	1,915,000	2,000,000	1,915,000	0
Iowa Reading Research Center	\$1,000,000	962,500	957,500	957,500	-5,000
High Needs Schools*	0	0	0	0	0
Fine Arts Mentoring	0	25,000	0	0	-25,000
Midwestern Higher Education Compact	\$100,000	100,000	100,000	115,000	15,000
AEA Distribution	\$1,000,000	962,500	0	0	-962,500
Community College General Aid	\$201,274,647	199,540,605	198,331,418	201,190,889	1,650,284
Community College Salary Increase	\$500,000	500,000	475,849	0	-500,000
Early Head Start Projects	\$600,000	600,000	574,500	574,500	-25,500
Competency-Based Education	\$425,000	338,000	0	0	-338,000
Iowa Learning Online Initiative	\$1,500,000	0	0	0	0
Regional Telecommunications Councils	\$992,913	992,913	0	0	-992,913
Child Development limitation	\$12,606,196	12,133,464	12,070,433	10,730,000	-1,403,464
UI - IA Online Advanced Placement Acad.	\$481,849	481,849	481,849	481,849	0
UNI - Math and Science Collaborative	\$5,200,000	5,200,000	5,479,000	5,446,375	246,375
	\$334,849,621	\$326,726,185	\$271,647,577	\$270,281,338	(\$56,444,847)

This chart shows the history of Student Achievement Teacher Quality Allocations since FY 2009, showing when the categorical supplements were rolled into the formula, and demonstrates the change from SATQ act provisions to the new TLS (teacher leadership and compensation system) and shows the elimination of Mentoring and Induction allocations.

**Student Achievement and Teacher Quality Program
Allocations of the Annual Appropriation**

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Est. Net FY 2017	FY 2018
National Board Certification	\$ 1,622,500	\$ 1,040,000	\$ 831,450	\$ 600,000	\$ 500,000	\$ 761,250	\$ 761,250	\$ 761,250	\$ 761,250	\$ 177,943	\$ 761,250
Ambassador to Education	85,000	85,000	71,248	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Mentoring and Induction	4,650,000	3,949,750	3,825,249	2,395,157	2,463,590	3,537,875	4,021,875	4,021,875	4,021,875	3,871,056	0
Career Dev/Evaluator Trng	695,000	695,000	571,731	600,000	600,000	786,816	786,816	786,816	786,816	674,261	774,316
Professional Development	28,500,000	0	0	0	0	0	0	0	0	0	0
Early Childhood Prof Dev	915,000	0	0	0	0	0	0	0	0	0	0
Teacher Dev Academies	1,845,000	1,845,000	1,517,755	1,104,843	1,136,410	1,136,410	1,136,410	1,136,410	1,136,410	26,091	1,123,910
Pay for Performance	335,000	0	0	0	0	0	0	0	0	0	0
Inst for Tomorrow's Workforce	250,000	0	0	0	0	0	0	0	0	0	0
Teacher Compensation	206,296,206	0	0	0	0	0	0	0	0	0	0
Teacher Leadership Grants and Aid	0	0	0	0	0	0	49,300,000	49,973,809	49,973,809	49,973,809	0
Teacher Leadership Tech Assist	0	0	0	0	0	0	700,000	626,191	626,191	376,191	626,191
Fine Arts Teacher Mentoring	0	0	0	0	0	0	0	0	0	0	25,000
Totals	\$ 245,193,706	\$ 7,614,750	\$ 6,817,433	\$ 4,785,000	\$ 4,785,000	\$ 6,307,351	\$ 56,791,351	\$ 57,391,351	\$ 57,391,351	\$ 55,184,351	\$ 3,395,667

UEN was registered as undecided on HF 642, Education Appropriations. UEN supported the repeal of 3rd grade retention and the summer school mandate for non-proficient 3rd graders, opposed the early childhood and mentoring and induction cuts, opposed the cuts to the AEAs, and supported the continued commitment to TLC which shifted over to the standings appropriations bill, SF 516. UEN also opposed the continued delay of High Needs Schools Grants.

Other Appropriations Bills Impacting Schools

Deappropriations: [SF 130](#) was signed by the Governor on Feb. 1, reducing state general fund spending in FY 2017 by \$113 million. There were no cuts to PK-12 education funding, however, the community colleges were reduced \$3 million, regent universities were cut \$18 million and DE must apply \$4.5 million in reductions to their budget with only five months left in the fiscal year. The bill also requires the Department of Management to administer an additional \$11.5 million in cuts throughout the executive branch. A memo from the DE to the field on March 13, 2017, explains the additional reductions. That memo is included on page 48 of this Digest. The LSA's NOBA provides additional information <https://www.legis.iowa.gov/docs/publications/NOBA/852073.pdf>

UEN monitored this bill.

Fiscal Impact of SF 130 on the FY 2017 General Fund Budget

	FY 2017
Revenue Adjustments	
Iowa Cultural Trust Fund	\$ 6,135,000
Strategic Investment Fund	1,000,000
Innovation and Commercialization Development Fund	2,000,000
Economic Development Energy Projects Fund	2,000,000
Grow Iowa Values Fund	12,000,000
Federal Econ. Stimulus and Jobs Holding Fund	2,000,000
Total Revenue Increases	25,135,000
Net Appropriation Changes	88,206,720
Total General Fund Budget Adjustment	\$ 113,341,720

Significant Deappropriations FY 2017 (dollars in millions)

Dept. of Human Services	\$35.9
Regents Universities	18.0
Dept. of Management (discretionary reductions)	11.5
Corrections	5.5
Dept. of Education	4.5
Community Colleges	3.0
Judicial	3.0

Policy Bills Impacting PK-12 Education

SF 234 Texting and Driving: This bill prohibits the use of a hand-held electronic communication device to write, send, or read a text view an electronic message while driving a motor vehicle unless the motor vehicle is at a complete stop off the traveled portion of the roadway. The penalty for violation of this law is a \$30 fine. UEN did not register on this bill, but we thought you might like to know.

SF 238 Sexual Exploitation by a School Employee: This bill defines “School employee” as a person who holds a license, certificate, statement of professional recognition or authorization issued under chapter 272. a person employed by a school district full-time, part-time, or as a substitute, a person who performs services as a volunteer for a school district and who has direct supervisory authority over the student with whom the person engages in prohibited conduct, a person who provides contracted services to a school district and who has direct supervisory authority over the student with whom the person engages in prohibited conduct. The bill states that this does not apply if the prohibited conduct is with a student enrolled in a different attendance center than where the employee works and the person does not have direct supervisory authority over the student, and the employee does not have a teaching license. UEN supported this bill.

SF 240 Assessments: This bill requires the state Board of Education (BOE) to approve a state assessment first used in 2018-19 school year. All students in grades 3-11 will be required to take math/reading tests. Students in grades 5, 8, 10 are required to take a science test. The state tests must be administered in the last quarter of the school year.

The bill repeals the transitional exception to keep administering the IA assessments, strikes the assessment task force, and strikes the requirement for the Legislature to approve the state BOE recommendation. However, the DE/state BOE will still be required to submit administrative rules through the legislative rules committee process.

RFP is required to include growth, align to Iowa core, be capable of measuring student performance in ELA (+ writing), math and science, and be available via computer/pencil and paper. The RFP submissions must address all areas of testing and vendors are allowed to collaborate (for example, Smarter Balanced Assessments only test ELA and math, so they would have to collaborate with a science test vendor in order to respond to the RFP). The DE is required to issue the RFP by July 1, 2017.

The bill requires evaluation of the proposals based **ONLY** on these criteria:

- feasibility of implementation by districts,
- costs to schools and state (provide and administer the tests and technical support)
- costs of acquiring infrastructure/technology readiness,
- degree of alignment,
- ability to measure student growth and proficiency,
- ability to meet requirements of ESSA, and
- instructional time required to conduct the test.

Lastly, the bill removes a mandate that nonpublic schools must administer the test and instead states that they may administer the state test.

UEN was registered as undecided through most of the development of this policy, but changed our registration to support with the amendment that removed the requirement that the State BOE submit their recommendation to the legislature and the legislature was required to vote on it. As advocates connect with legislators before the next session, continue to stress the need to extend

the state penny so school districts have resources to provide the technology infrastructure and devices to effectively administer the new state tests. The RFP was released on June 20. To read it, visit the Iowa Department of Administrative Services [website](#) (bid number RFP1117282197.)

SF 274 Governor’s Computer Science Initiative: This bill requires the DE to establish computer science standards for elementary, middle, and high school grades and requires the Board of Educational Examiners to establish an endorsement in computer science for teachers. The bill creates a Computer Science Professional Development Incentive Fund, from which school districts and teachers may receive funds as reimbursement for various forms of professional development relating to computer science. The bill states that it is the intent of the General Assembly to fund the new fund beginning in FY 2019. The bill also creates a computer science work group to identify and recommend computer science-related guidelines and potential policies for schools and submit a report to the Governor, DE, and the General Assembly by Nov.1, 2017.

The bill sets a goal that all school districts will provide computer science instruction:

b. “It is the goal of the general assembly that by July 26 1, 2019, each accredited high school offer at least one high-quality computer science course, each accredited middle school offer instruction in exploratory computer science, and each accredited elementary school offer instruction in the basics of computer science.”

School districts, AEAs or a group of districts may apply to DE to receive funds to reimburse tuition for teachers’ computer science professional development.

A specific task assigned to the Work Group is to make recommendations including how a high-quality computer science course can fulfil a mathematics or science graduation requirement. The UEN was registered as undecided on this bill, pending provision of funding.

SF 399 School Elections Vacancy/Appointment: This bill adds the requirement that the school board secretary call a special election if there is a school board vacancy after the filing period for nomination papers closes and a petition arises which calls for a special election to fill the vacancy. The bill also specifies that a board member appointed to fill a vacancy less than 180 days but more than 40 days before the regular school election serves as a temporary board member until a successor is elected. UEN did not register on this bill.

SF 438 Public Bid Law Requirements: This bill prohibits a school district (or any government entity) from including a project labor agreement or requirement for a contractor or subcontractor to utilize union labor. The bill prohibits the school district from requiring a bidder, offeror, contractor, or subcontractor to enter into or adhere to an agreement with one or more labor organizations in regard to the public improvement or a related public improvement project. The bill also prohibits a bidder, offeror, contractor, or subcontractor from entering into or adhering to an agreement with one or more labor organizations in regard to the public improvement or a related public improvement project. The bill also prohibits the school districts from discriminating against a bidder, offeror, contractor, or subcontractor for becoming, remaining or refusing to become or remain a signatory to, or for adhering or refusing to adhere to, an agreement with one or more labor organizations in regard to the public improvement or a related public improvement project.

SF 499 Video Cameras in Bathrooms: This bill prohibits the state or a political subdivision of the state, including but not limited to a public library, public school, or other government office open to the public, from using a monitoring device (video camera) in a toilet, bath, or shower facility; locker room; common area within such a facility or room, including an area where a sink or changing table is located; or other space open to the public where a person has a reasonable expectation of privacy. UEN did not register on this bill.

HF 217 Disciplinary Actions taken against a licensed school employee reported to the board of educational examiners (BOEE). This bill adds to the list of actions for which disciplinary actions at the school must be reported to the BOEE, being on school premises or at a school-sponsored activity involving students while under the influence of, possessing, using, or consuming illegal drugs, unauthorized drugs, or alcohol. UEN registered in favor of this bill.

HF 291 Collective Bargaining Changes: For any contract not already complete (ratified by association and approved by the board) on February 17, 2017, this bill made changes to Chapter 20 collective bargaining for employees who are not public safety employees.

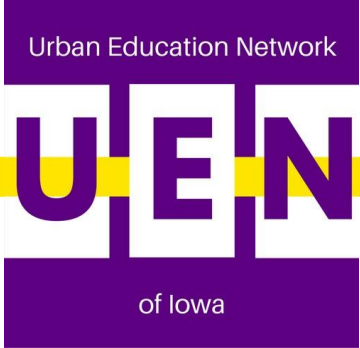
The bill sets base wages as the only mandatory subject of collective bargaining and requires that base wages be narrowly construed. Excludes supplemental pay, insurance, transfer procedures, procedures for staff reduction, subcontracting for public services, intensive assistance procedures and evaluation from negotiations, which means they are prohibited subjects of bargaining.

The bill prohibits automatic payroll deduction for association dues. The bill establishes an ongoing process for certification and decertification of association representatives through elections requiring a simple majority (50% plus 1) of all employees covered by the bargaining unit (not a simple majority of those voting.)

The bill defines the arbitration process and limits arbitrators' considerations, including a requirement that any final decision of the arbitrator must not be greater than the lower of 3% or consumer price index for Midwest urban consumers as set by federal Bureau of Labor Statistics. The bill prohibits an arbitrator from considering past contracts or employers' ability to tax in the decision. Requires the arbitrator to consider comparability of similar work in the private sector, if available. Also removes consideration of prior contracts in the district if taken to an arbitrator.

The bill lengthens the probationary period for new teachers and administrators to three years, allows temporary and nonrenewable contracts and removes teacher's ability to appeal termination to an adjudicator (appeal goes directly to court.)

UEN was registered as undecided on this bill. A complete section analysis of the bill is included on page 48 of this Digest. In short, subjects of bargaining fall into these categories of mandatory (must be bargained), Permissive (other things mutually agreed by both management and labor to be bargained) and Prohibited (state law excludes these from the bargaining conversation):



Mandatory*	Permissive "other things mutually agreed upon"	Prohibited
Base Wages	Hours	All retirement systems
	Vacations	Dues Checkoffs
*Mandatory subjects of negotiation specified in this subsection shall be interpreted narrowly and restrictively per HF 291	Holidays	Other payroll deductions for PACs
	Leaves of Absence	Other political contributions or activities
	Shift Differentials	Leaves of Absence for political activities
	Overtime Compensation	Insurance
	Seniority	Transfer procedures
	Job Classifications	Supplemental Pay
	Health and Safety Matters	Evaluation procedures
	Health and Safety	Procedures for Staff Reduction
	In-service Training	Subcontracting Public Services
	Grievance Procedures for resolving Issues under the agreement	

(Wages beyond base wages are permissive)

Iowa's Public Employee Relations Board (PERB) has issued two rulings interpreting areas of the law. These rulings define base pay as the very minimum pay for the job and state that teacher salary supplement is not a prohibited subject of bargaining because it is wages in addition to base wages (which is permissive) rather than supplemental pay (which would be prohibited.) They also state that coach's salaries, if the board has established and maintained the extracurricular job classification, which is permissive, then the base salaries of those job classifications is a mandatory subject of bargaining. Find information about the consumer price index, retention and certification elections, where to return signed contracts and HF 291 rolled into the full Chapter 20 law, on the PERB website at iowaperb.iowa.gov. The two rulings on supplemental pay and wages that are not base wages are found here:

- Oskaloosa Community School District and Oskaloosa Education Association, PERB Case No. 100823. See the ruling [here](#).
- Columbus Education Association and Columbus Community School District, PERB Case No. 100820. See the ruling [here](#).

[HF 295 Prohibiting County Minimum Wage](#): This bill prohibits a local government from setting a minimum wage exceeding federal or state law. UEN did not register on this bill.

[HF 472 Eligibility for Teacher Loan Forgiveness Programs](#): This bill prohibits a teacher from being a recipient of both the Iowa Teach Iowa Scholar loan forgiveness program and the Teacher shortage forgivable loan program. UEN did not register on this bill.

[HF 473 High School Equivalency Programs](#): This bill requires the state BOE to adopt rules relating to demonstrations of competence for purposes of this high school equivalency diplomas for adults (age 18 and older). The rules shall require such demonstrations to be equivalent to or of greater rigor than those required for high school graduation, and such demonstrations shall include but are not limited to a test battery, credit-based measures, and attainment of other academic credentials. UEN did not register on this bill. The DE's annual legislative guidance to the field explains further:

“The bill expands the ways in which competency can be demonstrated and requires the State BOE to adopt rules establishing standards for content and measuring competency. While the different pathways have yet to be decided, it will include the existing HiSET assessment, as well as models like the Adult Diploma offered by some of Iowa's community colleges. Under this option, community college counselors review high school transcripts for existing passing credits and award transfer credit in those areas where core competencies are met. This allows equivalency students to focus on only the core competencies they are deficient in through additional postsecondary classwork.”

[HF 518 Workers' Compensation](#): This bill makes various changes to Iowa Code chapter 85 related to workers' compensation by reducing benefits, limiting benefits, changing the qualifications for benefits, and reducing the interest rate calculation. UEN did not register on this bill. The LSA's Fiscal Note explains the following: <https://www.legis.iowa.gov/docs/publications/FN/856169.pdf>

Regarding shoulder injuries: The bill provides for training, at an Iowa community college, that at a minimum, will result in the awarding of an associate degree, or completion of a certificate program, that will enable a worker who has sustained a shoulder injury, as specified in Iowa Code section 85.34(2), to return to the workforce. The Iowa Workforce Development (IWD) Department is required to evaluate those workers for career and training opportunities. The Iowa community colleges are required to have a new Career Vocational Training and Education Program to address the needs of those workers. Each of those injured workers will be entitled to up to \$15,000 for the payment of tuition, fees, and required equipment, to be paid for by the injured worker's employer or employer's insurer. The community college may be required to report each semester on the status of the employee's training. An annual report on the Program is due to the General Assembly

beginning December 1, 2018. The report is to be provided by the IWD, in cooperation with the Department of Education, the Insurance Division of the Department of Commerce, and all community colleges. Assumptions:

- The change to Iowa Code section 85.34(2)(m) pertaining to injuries to shoulders will result in an estimated reduction to benefit payments of 68.0% (\$760,000) for the estimated 176 State shoulder injuries each year. This does not include the new Training Program costs.
- The change to Iowa Code section 85.34(2)(u) pertaining to permanent partial disability injuries to the body as a whole will result in an estimated reduction to benefit payments of 10.0% (\$1.0 million) for those injuries.
- The change to Iowa Code section 535.3(1) pertaining to a decrease in the interest calculated on workers' compensation payments will reduce the annual interest rate by an estimated 5.5%, resulting in an estimated reduction of \$60,000.

HF 534 Child Care Facility Licensing Exception: This bill adds to the list of those facilities exempt from DHS child care licensing requirements to include an instructional program for children who are attending prekindergarten as defined by the state board of education under section 256.11 or a higher grade level and are at least four years of age, or are at least three years of age and eligible for special education services. UEN monitored this bill.

HF 564 Categorical Flexibility, was signed by the Governor on May 11. This bill expands the allowable expenditures on several categorical funds including:

- **Preschool:** Allows districts to offer PK to a younger (3-year-old) or older (5-year-old) child, if space and funding are available, including funding from another school district account or fund from which PK program expenditures are authorized by law. Younger or older students are not counted as enrollment for state funding purposes. Also expands the use of PK funds for translators, safety equipment, snacks, playground equipment and repair costs, supplies, facility rental fees, and for any purpose determined by the school board as necessary to meet quality preschool program standards or directly or indirectly benefit students.
- **Professional Development Supplement Per Pupil:** Allows funds to pay for assessment costs to comply with state requirements, textbooks/instructional materials if professional development is included, mentoring and Induction (added in the Ed Approps bill) and prohibits DE from requiring a certain percentage of professional development supplement funds to be spent on Iowa Core implementation.
- **Dropout Prevention/At-risk:** Adds counselors to list of staff whose time may be prorated for providing services to at-risk/dropout prevention eligible students, allows dropout prevention funds to be spent on grade level, school wide or district wide prevention that serves students not necessarily eligible for DoP and eliminates the 5% cap on such expenditures, gives the district authority to designate the amount of time/salary/benefits for each such prorated staff position and include as part of the program plan submitted to DE. The bill also allows these funds to be spent on programs intended to address high rates of absenteeism, truancy or frequent tardiness.
- **Safety Equipment:** Allows a general fund transfer to the Student Activity Fund for safety equipment required for extracurricular contests. The school board is required to pass a resolution including the amount necessary to purchase protective and safety equipment required for any extracurricular interscholastic athletic contest or competition that is sponsored or administered by an organization defined in Iowa Code 280.13. A template of such a resolution is found on page 55 of this Digest.

The bill also directs the DE to defer to local decision making in areas of per pupil supplements including Teacher Salary Supplement (TSS), Professional Development Supplement (PD), and Early intervention/class size. The bill also defines “guidance” and prohibits DE guidance in these areas from being inconsistent with any statute, rule or other legal authority, or imposing any legally binding obligations or duties not required or reasonably implied by statute, rule or other legal authority. The bill states that guidance issued in violation of these requirements is not legally binding. (The bill doesn’t prohibit the DE from issuing guidance.)

Early versions of the legislation included language to expanded PPEL flexibility for transportation equipment repair (House version repealed the \$2,500 threshold for use of PPEL to repair transportation equipment but the Senate amended that change out of the bill) TAG funding ending balances were removed in the House and conversation about energy efficiency were drafted as amendments but did not get included in the bill.

UEN was registered in support of this legislation.

HF 565 Education Super Flex Account: The bill allows transfer of ending balances from Professional Development (PD), Preschool (PK), Home School Assistance Program (HSAP) or any discontinued program (such as the old market factor pay) to a flex fund account. The bill lists several purposes that could be funded by the flex account, including at-risk, talented and gifted (TAG), PD, PK, start-up costs for PK, HSAP or any general fund purpose.

The bill requires a school board resolution and public hearing: Resolution must state the original source and use of funds, the amount of the proposed expenditures, the fiscal year from which the transfer of such funds is to occur. Must also include a certification that the statutory requirements of the original purpose have been met or are no longer required. DE is required to prescribe the form for public notices. A copy of the resolution must be sent to DE and made available for any audit.

Although the bill has an effective date of July 1, 2017, the transfer first applies to ending balances for the budget year beginning July 1, 2017, which means the 2017-18 school year must be completed to determine the FY 2018 ending balance of the categorical fund before the funds can be transferred.

The bill sets criteria to demonstrate that the original intent of the categorical funds has been met before a transfer may occur:

- For PK: must have provided PK in the year in which a balance is carried forward to all eligible students for whom a timely application for enrollment was submitted
- For PD: states that all PD requirements of Chapter 284 are met
- For HSAP: must meet the statutory requirements for HSAP funding, including funding all purposes listed in Iowa Code [299A\(12\)](#) subsections 2 and 3 and funding all requests for services and materials from parents of HSAP students

UEN was registered in support of this legislation.

HF 569 403b Investment Vehicles: House File 569 concerns authorized investment vehicles in a tax-sheltered investment program established by the Department of Administrative Services (DAS). In addition to the nine current providers (four core and five optional), the bill permits an additional 21 providers for a total of 30. The Bill requires companies wishing to participate in the 403b program to utilize a third-party administrator selected by DAS and to use a common remitter. UEN did not register on this bill.

HF 573 Home Rule: The bill grants school districts/school boards any broad and implied powers not inconsistent with the laws of the general assembly, or inconsistent with Administrative Rules, related to the operation, control and supervision of their public schools. The bill excludes this flexibility in four specific areas, specifying that school boards are prohibited from:

- levying any tax unless expressly authorized by the Legislature,
- charging fees not expressly authorized in statute,
- adopting a policy that would unreasonably interfere with the duties of a local, state or federal law enforcement agency, and
- states that, if the power or authority of a school district conflicts with the power and authority of a municipal corporation, county, or joint county-municipal corporation government, the power and authority exercised by a municipal corporation, county, or joint county-municipal corporation government shall prevail within its jurisdiction.

The bill also states that chapters 257, 257B, 274-301 and other statutes relating to the boards of directors of school districts and to school districts shall be liberally construed to effectuate the purposes of this bill.

UEN was registered in support of this legislation.

In DE's annual letter to the field regarding legislation, May 26, 2017, they suggest that school districts consider the following when thinking about increased local flexibility:

- "If there is a state statute or state administrative rule, then that authority is controlling and a district's actions must be consistent with that authority.
- If there is an Iowa Supreme Court or Iowa Court of Appeals case, that case is controlling.
- If there is a declaratory order or contested case interpreting a state statute or rule, the order or case is controlling on the question to the extent that order or contested case is an authorized interpretation of the statute or rule under the Administrative Procedure Act or the Director's power to interpret the school laws and school rules of the state of Iowa.
- If there is a federal statute, regulation, or case on point, then that authority is controlling.
- If there is an area of ambiguity in the law, the Department will liberally construe the statute or rule in favor of the district's broad exercise of power.
- If there is no statute, case law, declaratory order, contested case, rule or guidance that covers the issue, then the district may exercise any broad and implied power, not inconsistent with law or rule related to the operation, control, and supervision of the school unless one of the exceptions in Iowa Code 274.3 applies." *Those exceptions are taxing authority, fees and interfering with law enforcement as explained above.*

HF 566 School Elections: This bill changes the September regular school election to the first Tuesday after the first Monday in November of odd numbered years to coincide with the city/county elections. This first applies in November of 2019.

The bill sets a transition expectation so that those board members whose terms would have expired after the September 2019 election will stay on the board for two more months until after the November 2019 election.

The bill specifies the ballot order for the combined election offices and ballot initiatives:

1. County, 2. City, 3. School districts, 4. Community college, 5. Any other political subdivision

The bill allows an individual to be on the ballot as a candidate for a city office and a school board office in the same election. The bill also delays elections of AEA board members two months and specifies that ballots are due back to the AEA secretaries' offices by November 30.

The bill also changes special school election dates to coincide with city special election dates (but the bill does not require cities/counties and schools to combine ballot initiatives on a special election date. The new special election date options are also effective beginning July 1, 2019 and include the following:

Odd Numbered Years (Starting after July 1, 2019)

1. 1st Tuesday in March
2. 1st Tuesday in May
3. 1st Tuesday in August
4. 1st Tuesday after the 1st Monday in November (Board Election Date)

Even Numbered Years (Starting after July 1, 2019)

1. 1st Tuesday in March
2. 1st Tuesday in May
3. 1st Tuesday in August
4. 1st Tuesday in December

The fiscal note stated that the combined election may not save school districts money compared to holding the September school board election. Additionally, school boards may determine it is best not to include ballot initiatives when cities and counties are also having a ballot initiative during the special election, which may impact special election costs. The costs of the combined election will be prorated, but with a longer ballot and more polling places, may cost school more.

The fiscal note quotes the Iowa Secretary of State's statistics; in the last four school elections, the voter turnout average was 6.5%. The average voter turnout for city elections in that same time frame was 21.3%. There may be some additional effects of increasing turn-out, such as lowering the possibility of a write-in candidate's success, or raising the petition signature threshold for taking an Instructional Support Levy or other ballot initiative to the voters. UEN was registered as opposed to this legislation which the Governor signed on May 11.

Near Misses, Incomplete Progress, Bills Still Alive in the 2018 Session

HF 648 Technical and Career Education: This bill restores a deleted reference to the CTE Opportunities and Partnerships program. The bill allows income received by schools to be coded as Miscellaneous Income. Allows a partnership to purchase certain consumable school supplies. Allows funding to be given to the partnerships in advance rather than as a reimbursement for expenditures already made. The House passed the bill, 98-0. It is now in the Senate Appropriations Committee. UEN is registered in support. This bill will likely stay in Committee, on the agenda for 2018.

HF 652 Tax Credit Cap/Tax Expenditure Limitation Fund: This bill caps the growth in some tax credits, requires deposits of FY 2019 revenue into the Cash Reserve Fund, then requires future deposits into a new Tax Expenditure Limitation Fund.

The tax credits impacted include those in the table below, with the largest contributor to the fund being the Research Activities Tax Credit. The Earned Income Tax Credit which benefits lower income lowans is not impacted by this bill. The bill is not expected to improve the condition of the state's general fund since the savings are not kept in the general fund. It may or may not benefit schools in the future based on a future legislature's determination of what to do with the fund's resources. UEN has yet not declared a lobbying registration on this bill.

The Fiscal Note provides the following detail:

Tax Credit Program	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Agricultural Assets Transfer Tax Credit	\$ 0	\$ 194,000	\$ 112,000	\$ 59,000	\$ 39,000
Custom Farming Contract Tax Credit	0	23,000	13,000	13,000	4,000
Biodiesel Blended Fuel Tax Credit	0	339,000	2,382,000	5,073,000	5,289,000
E-15 Plus Gasoline Promotion Tax Credit	0	13,000	78,000	179,000	275,000
E-85 Gasoline Promotion Tax Credit	0	0	13,000	101,000	306,000
Ethanol Promotion Tax Credit	0	0	0	0	0
Geothermal Heat Pump Tax Credit	0	0	0	0	0
Geothermal Tax Credit	0	815,000	1,007,000	1,015,000	1,164,000
Hist. Pres. and Cultural/Entertain. Dist. Tax Credit	0	0	4,851,000	7,851,000	9,851,000
Redevelopment Tax Credit	0	0	184,000	650,000	1,173,000
Renewable Energy Tax Credit	0	0	0	0	0
Solar Energy System Tax Credit	0	457,000	662,000	723,000	757,000
Innovation Fund Tax Credit	0	844,000	1,468,000	2,043,000	2,155,000
Qualifying Business Tax Credit	0	0	0	0	0
Research Activities Tax Credit	456,000	4,674,000	22,737,000	39,986,000	44,101,000
Research Activities Tax Credit (Supplemental)	0	0	0	0	99,000
Total	\$456,000	\$7,359,000	\$33,507,000	\$57,693,000	\$65,213,000

- **SF 512 Water Quality:** This bill establishes a long-term commitment to water quality improvements in Iowa. The bill does not scoop funds from a SAVE extension but does have a small impact on SAVE fund revenue estimates. Details follow:
 - **Edge-of-field infrastructure program** and in-field infrastructure program for agricultural water quality with funding on a cost-share basis. Soil & Water Division manages it, including reporting requirements and confidentiality.

- **Wastewater Fund:** Allows drinking water programs to qualify for IFA wastewater treatment program, adds annual reporting requirements and a new program review committee.
- **Creates a Water Quality Urban infrastructure program.** Cost-share basis.
- **Tax/Funding:** Exempts metered water sales to residential customers from sales tax and establishes a 6% excise tax. Sets up transfers and funding provisions through 2029 repeal. Transfers \$15 million in watering tax revenues now going to Vision Iowa to the Water Quality fund after 2020.
- **Other:** Includes findings on the Iowa nutrient reduction strategy. Deems that ag storm water or irrigation return flows are not point sources.
- **Impact on SAVE:** The fiscal note estimates a reduction of almost \$4 million to SAVE fund revenue beginning in FY 2018 with slightly increasing amounts annually thereafter as sales taxes grow. The impact is roughly \$8 per pupil lower SAVE fund allocations.

Senate passed it 31-19, then the House amended it and passed it 79:19. It goes back to the Senate. UEN is not registered as lobbying on this bill.

Pending UEN Priorities: These bills are all alive/available for discussion in the 2018 Session, which is the second year of the biennium:

- **[SF 475 Education Omnibus Bill](#)** is on the House Calendar. UEN is registered as undecided. UEN requested the provisions to allow all districts to offer virtual/on-line learning options rather than restricting the state's two virtual academies to the two existing school districts. With removal of the provisions limiting vision and dental screening, the UEN concerns were minimized. The bill remains on the House Calendar for debate, but it's future is not certain. UEN was registered as undecided on this bill.
- **[HF 230 SAVE Extension in House Ways and Means](#):** The bill extends the SAVE sunset from 2029 to Jan. 1, 2050. See the UEN web site for a position statement regarding the priority of extending the sunset and talk to all legislators during the Interim about moving this bill forward. UEN registered in support of this bill.
- **[SF 455 Formula and Transportation Equity](#):** The bill includes a 10-year phase-in to eliminate the \$175 difference in the district and state costs per pupil and 10-year phase in to fund school transportation supplementary weighting, also over 10 years.

This UEN priority is still in the House Appropriations Committee, stalled by the REC estimate and budget constraints. Thank your Senators, who voted unanimously to move this bill to the House and continue to impress upon House members the urgency of beginning the work of closing these equity gaps in the formula and in transportation funding. UEN registered in support of this bill.

School Choice

Nonpublic and home school advocates have gained ground in their call for education savings accounts, also known as school vouchers, for providing additional school choice for Iowa families. As the Revenue Estimating Conference continued to lower growth estimates in both December and March, the lack of significant new money for the legislature to appropriate for any new policies stifled this groups continued efforts. We expect additional attention to the issue in 2018.

Consider these talking points when advocating with legislators during the interim. School leaders are encouraged to work with public school parents and advocates to help educate the public about the impact of expanded school choice on public school students. Public school advocates are concerned about the welfare of all of Iowa's children and are often working in partnership with home school parents and nonpublic schools in supporting the community's children. But the following facts may help public school advocates engage in critical conversations regarding this important state policy consideration of expanding school choice:

1. There are many quality school choice options in Iowa, including a public school in your neighborhood, public school in another neighborhood (open enrollment), virtual academy (CAM/Anita & Clayton Ridge), nonpublic schools, home school assistance (competent private instruction) and independent private instruction. Only one of these options charges tuition (nonpublic schools)
2. There were 483,251 public school students in Iowa in the 2015-16 school year, of which 30,463 open enrolled to another school district. There were 33,040 nonpublic students, as reported in the 2016 Iowa Annual Condition of Education Report. It is unknown how many students are in home school learning environments, and although most home school families are likely providing a great educational experience for their children, it is unknown how many students in home school environments are not receiving a quality education since no oversight is required.
3. In the FY 2017 state budget, \$52.3 million was appropriated (or credited to taxpayers) to support nonpublic and home school students' education, not including special education support from public schools, AEA support or professional development provided to nonpublic school teachers. The following table provides the detail of the expenditures and tax credits:

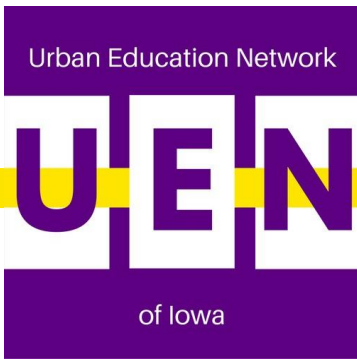
Taxpayer Funds	Nonpublic School Program
\$ 650,214	Nonpublic Textbooks
\$ 8,560,931	Nonpublic Transportation
\$ 11,300,000	School Tuition Tax Credit
\$ 15,200,000	Tuition and Textbook tax credit
\$ 1,600,000	Nonpublic school students in public HS
\$ 2,000,000	Home school assistance
\$ 13,000,000	50% of Community Partner four-year old PK slots
\$ 52,311,145	Total Nonpublic School Regular Program support

4. UEN is primarily that, especially for rural school districts, there are no private school alternatives. Expansion of vouchers would not provide additional choice for rural school parents, all the while diverting resources that could otherwise be spent on public education that rural schools desperately need.
5. Significant school choice investments would either require new state revenues or compete with funds that would otherwise go to public education or other essential state services.

6. Accountability – More conservative thinkers typically value good stewardship, oversight and accountability for the expenditure of state tax dollars. Recent instances of foster care student experiences with home school have brought additional attention and urgency to the issue of needed oversight.
 7. Of the 17 states that have either private school scholarships or a private school tuition or expenses tax credit, Iowa is one of only 5 that have both (AL, IA, IN, LA, SC) as reported in State Tax Subsidies for Private K-12 Education by the Institute for Taxation and Economic Policy Oct. 2016.
 8. That study also noted several specific concerns with charter schools and school vouchers in other states that could inform Iowa policy makers in crafting a school choice policy that protects children and delivers a quality education, including:
 - a. Dubious Education Benefit
 - b. Erosion of the public education system
 - c. Exaggerated cost savings (rewards current behavior but doesn't increase private school enrollment)
 - d. Poorly targeted
 - e. Constitutional issues
 - f. Lack of Budgetary Oversight . . . for example, the report states Arizona's tax credit system has grown at a faster rate than the general economy, in much the same way that Iowa tax credits have grown:
- ♦ *Lack of budgetary oversight.* Subsidies for private education provided via neovouchers are often not subject to the same budgetary oversight as ordinary spending on public education. Most notably, once a neovoucher is enacted into law it typically continues indefinitely without reexamination as part of the appropriations process. Moreover, those neovouchers not subject to an aggregate budgetary cap can grow significantly in cost without any action on the part of lawmakers. And even those neovouchers that are subject to caps sometimes see the cap structured in a way that allows for growth that far outpaces other areas of the budget, such as one of Arizona's neovouchers for corporate taxpayers which is currently growing at a rate of 20 percent per year.²⁸

See the complete study here:

http://itiep.org/itiep_reports/2016/10/state-tax-subsidies-for-private-k-12-education.php#.WG-uxRsrJ3g



Issue Briefs

The following issue briefs, also posted on the UEN legislative page, supported advocacy work during the 2017 Legislative Session. Use these resources as conversation starters with legislative candidates or to discuss with parent or other stakeholder groups.

Whichever of these priorities remain a focus of UEN for the 2018 Session, new issue briefs will be provided with updated information. These briefs and other resources, including this Digest, are found on the UEN web site www.uen-ia.org

[Assessment 2017](#)

[English Language Learner 2017](#)

[Formula Equality 2017](#)

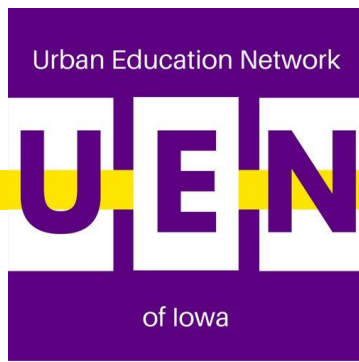
[Funding Adequacy 2017](#)

[Home Rule 2017](#)

[Mental Health 2017](#)

[Preschool 2017](#)

[State Penny Extension 2017](#)



Aligned Assessments of Student Progress UEN Issue Brief

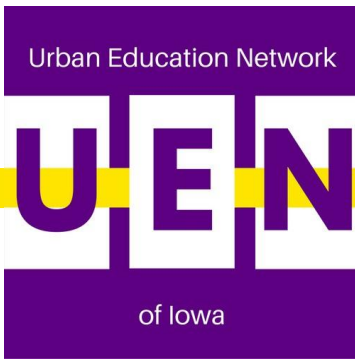
Background: The 2013 Education Reform effort addressed Iowa's state tests of reading math and science, requiring the tests used before continue until July 1, 2016, at which time the State Board of Education could again determine the state test. HF 215 also required Iowa's Department of Education to convene a task force to review and make recommendations for a statewide assessment of student progress. The task force was required to recommend a state assessment aligned to Iowa standards and at a minimum, valid, reliable, tested and piloted in Iowa. The task force considered costs to schools and the state to provide and administer tests and needed technical support. The task force, including UEN representatives and members of every educational role group, did its job, with a very rigorous and scientific process. In a nearly unanimous vote of the task force members, 20:1, members recommended moving to the Smarter Balanced Assessment Consortium (SBAC) suite of assessments, including summative tests used for accountability and formative assessment and instructional tools to help teachers support students throughout the school year. The task force report is found here: <https://www.educateiowa.gov/documents/boards-committees-councils-and-task-forces/2015/01/2014-12-31-iowa-assessment-task-force>

Current Situation: On Sept. 17, 2015, the State Board of Education initiated rules to implement SBAC, intending first use of the test statewide in spring of 2017. The legislature delayed the requirement for schools to use SBAC until spring of 2018. The legislature also agreed to have the State BOE rules reviewed again in Dec. 2016, but the governor vetoed that requirement as the education associations, including UEN, requested. The DE issued an RFP and has begun to prepare schools for the spring 2018 use of SBAC.

Alignment: The UEN has a long-standing legislative priority calling for an assessment aligned to standards schools teach. UEN has opposed using a norm-referenced test for federal accountability. A state test is required for ESSA compliance, but school leaders recognize the importance of formative assessments along the way to improve teaching. The suite of assessment tools, including formative assessments, an online digital library and professional development (all in the task force recommendations), will help teachers diagnose what students know and can do, and change instruction along the way.

Key components of the SBAC system that improve learning for students:

- **Tools for teaching:** The suite of formative tools and digital library of instructional lessons, both tied to standards, help teachers tailor instruction to the needs of students. The use of the formative tools, including which questions are asked of students, is left to local districts to determine. Teacher teams will likely build common formative assessments based on the standards they are working on with their students when they need them. Online test taking provides timely information back to district, teachers, parents and students.



- **Valid accountability:** The system's ability to focus on what students know also takes away the age-old argument that schools can't be held accountable because the test doesn't assess what is taught. Instead, supports and expectations will align appropriately to standards required to be taught.
- **Performance tasks:** Students engage higher levels of thinking to master the tasks required. Performance tasks usually take a little longer for students to complete. The SBAC test does not have a time limit; students may take more time to demonstrate their ability.
- **Computer adaptive test:** Next questions are based on prior answers. Standards mastery for all levels of students will be better identified. Students are less frustrated with the test and more engaged. Iowa students interviewed after piloting the SBAC tests confirmed their preference for this test format.
- **Development of the test involved Iowa educators and students.** SBAC was piloted in Iowa. Likewise, thousands of lessons in the digital library have been submitted by Iowans. Iowa educators, administrators, school board members, AEAs, curriculum directors, the business community and parents were included in the 21-member task force, which offered a nearly-unanimous recommendation.

Change is hard and we expect bumps in the road. It is critical that the state recognize and support school district technology needs in order to administer the test online:

- **Transitional challenges:** Some districts may need a lengthened test window or an option to initially deliver the test with paper/pencil. Educators and students need time to learn how to administer and take the test. With a more rigorous test, aligned to higher expectations, it is smart to anticipate the dip.
- **Resources:** An appropriation to support the additional costs of the test is necessary. Likewise, it would be prudent for the Iowa House and the Governor to show support for extending the state penny sales tax beyond its current 2029 sunset. This predictable and stable funding source will help school districts upgrade technology and purchase the devices necessary to properly administer computer-based assessments.

UEN calls on the Iowa Legislature to fund an assessment system aligned to Iowa Standards and implement the recommendation of the Assessment Task Force to use the Smarter Balanced Suite of Assessments, measuring progress along the way, including attainment and growth.

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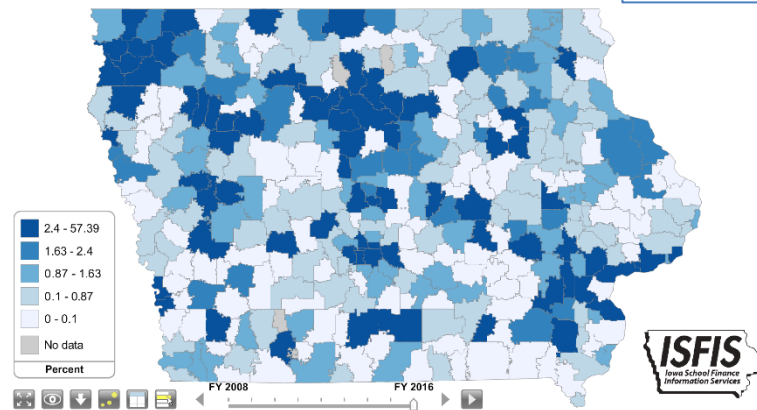
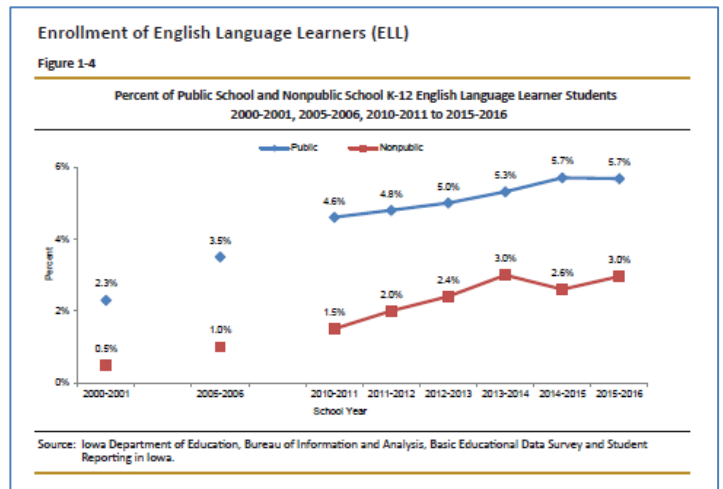
English Language Learner Supports

UEN Issue Brief

Services for ELL Students: UEN supports additional funding no lower than the national average (0.39) for ELL programming and state/regional capacity to assist districts with ELL students to improve instruction and evaluate programs for best practice. Students should be eligible for service for up to seven years based on their mastery of academic language at grade level. UEN supports flexibility for districts to best use funds to meet the needs of students and recognition of factors such as low-income in meeting the learning needs of non-English speaking students.

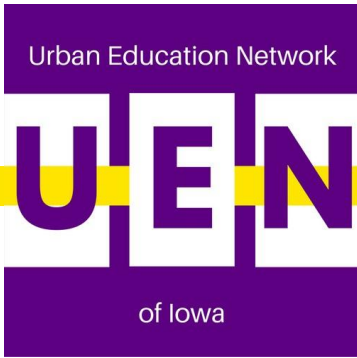
Historical Context

The number of students who are English language learners (ELL) continues to increase. In the 2015-16 school year, 5.7% of students were reported as ELL, up from 2.3% in 2000-01 as reported in the 2016 DE's Annual Condition of Education Report. Of the 39 Iowa school districts in FY 2016 with more than 6% of their enrollment eligible for ELL programming, 10 are urban districts and 29 are more rural in nature.



This map shows the distribution is geographically diverse, with the darker blue districts having ELL concentrations above the state average in FY 2016. (Although this shows districts with greater than 2.4% ELL, there are nine UEN districts above 4%, with Marshalltown at 37% ELL in FY 2016.

Funding History: The [ELL Task Force Report](#), Nov. 2013, tells the history of the formula support for ELL services: "Prior to the 2013 legislative session, students served in an ELL program counted for an additional 0.22 weighting, including state contribution in the formula, for programming for up to four years. During the 2013 legislative session, SF 452, Standing Appropriations, Division V, extended the 0.22 weighting and state contribution to ELL funding to a fifth year, first available to schools in the 2014-15 school year budget. The bill maintained the ability of the School Budget Review Committee (SBRC) to grant additional modified allowable growth, or spending authority, for ELL program costs beyond the fifth year. If granted, the funding to reimburse the school general fund for the ELL expenses is funded by the district's cash reserve levy or existing cash balance.



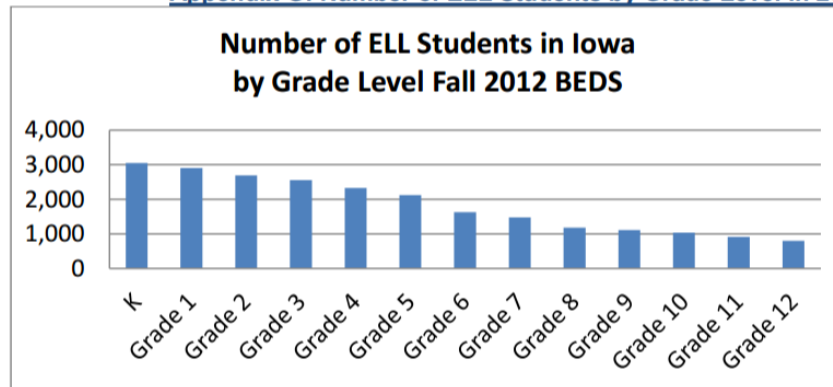
It is important to highlight the relationship between per-pupil property valuation, which is inversely related to the local property tax rate (lower value results in higher taxes) when attempting to understand the challenges related to the SBRC process.” The Task force report’s Appendix F shows that property tax pressures are significant in most school districts with high concentrations of ELL students.

Educational Requirements: The Task Force Report also states: Iowa has educational requirements for ELL students as described in Iowa Code, Chapter 280.4, Uniform School Requirement: When a student is limited English proficient, both public and nonpublic schools shall provide special instruction, which shall include, but need not be limited to, either instruction in English as a second language or transitional bilingual instruction. Such instruction will continue until the student is fully English proficient or demonstrates a functional ability to speak, read, write, and understand the English language.

Funding Recommendations: The Task Force recommends and the UEN supports LEP weighted funding closer to the national average by increasing from .22 to .39 through a phase-in formula over a three-year period. The .39 national average weighting was shown in the Nevada study, Study of a New Method of Funding for Public Schools in Nevada, American Institutes for Research, 2012. The Task Force also recommended extending eligibility for ELL state weighting from five to seven years reflecting the research-based timeline sufficient to move LEP students to proficiency: They state, “The extension of years is critical to provide enough time for all students to reach academic language proficiency through ELL educational programming to ensure they don’t fall into a subsequent designation of special education requiring an Individualized Education Program.”

Success: this chart shows that ELL students served early in elementary years tend to exit the program, as the numbers by grade level decrease dramatically.

Appendix G: Number of ELL Students by Grade Level in 2012



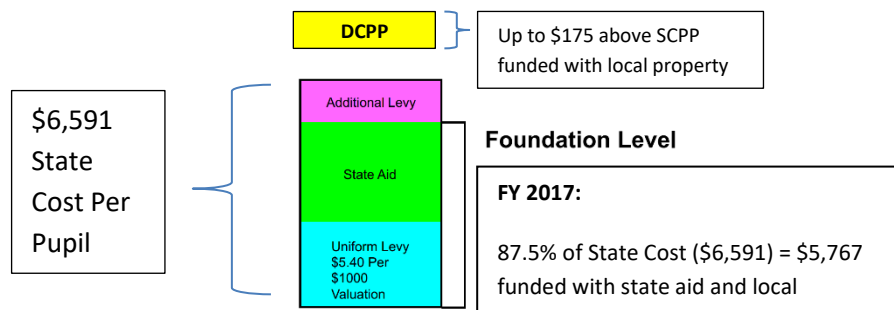
Source: Chart created by Iowa School Finance Information Services using data from Iowa Department of Education, Bureau of Information and Analysis, Basic Education Data Survey and EASIER

How long does it take for ELLs to reach proficiency? The National Literacy Panel, as reported in [A review conducted for the Center for Public Education](#) by researchers at Edvantia, concluded that “considerable future research is needed to develop valid and reliable measures” of academic language proficiency (August & Shanahan, 2006). However, studies conducted to date indicate that it takes 4 to 7 years for ELLs to become proficient in academic English.” They cite several empirical studies that confirm the statement.

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Formula Equality: State and District Cost per Pupil

Background: 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) and brought all districts spending less up to that amount. 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, funded by local property tax payers. Although the formula was created in the mid-1970s, the difference between the SCPP and a higher District Cost Per Pupil (DCPP) has remained. This graphic shows the property tax and state aid components of the SCPP and the DCPP above the \$6,591 (FY 2016-17 SCPP).

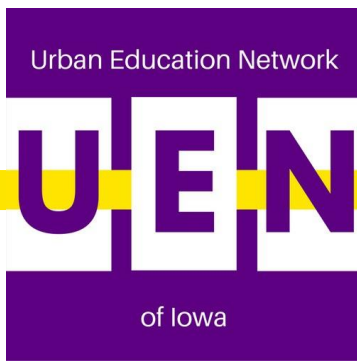


Current reality: In FY 2017, 163 districts (48.8%) are limited to the \$6,591 as their District Cost per Pupil (DCPP). The other 170 districts (51.1%) have a DCPP ranging from \$6,592 to \$6,766, or \$1 to \$175 more. When the Legislature determines the increase in the SCPP, that dollar amount is added to the DCPP, so the gap continues at the same dollar amount. On a percentage basis, the \$175 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 2017 Count of Districts	Amount that DCPP Exceeds SCPP
163	\$0
65	\$1 to \$35
48	\$36 to \$70
25	\$71 to \$105
19	\$106 to \$140
14	\$141 to \$175
Total = 333	

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 funding or less funding. Another critical question for policy makers relates to the 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.

After nearly 40 years of the current formula, the question is, "Should ALL Iowa public school students generate the same amount of funding, on a per student basis, for their regular education costs?"



Solutions: The state could appropriate an estimated \$85 million to eliminate the inequality. That total includes both the amount required for the state to assume the entire amount of DCPD already paid with property taxes in those districts that have authority (just over \$11 million) plus the supplement for those districts that are held to the minimum (\$74 million).

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

- Give 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.
- Set the state cost per pupil at the highest amount but lower the foundation percentage threshold from 87.5% 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.
- Allow local district authority to use cash reserves to fund the difference under certain circumstances. [SSB 1254](#) and [HSB 240](#), both introduced in the 2015 Legislative Session, include a parameter that the cash reserve levy in the base year may not be exceeded in a future year if providing funds for this purpose. [HF 2182](#), introduced in the 2016 Session, was a short-term limited authority to use cash reserve, giving the legislature time to come up with a more permanent solution.
- Phase in a long-term commitment to eliminate the inequality over time. [SF 455](#), approved by the Senate in the 2017 Session but still in the House Appropriations Committee, creates both a transportation and formula equality phase in, beginning with \$5 per pupil July 2018, \$10 per pupil July 2019, \$20 per pupil annually thereafter until the \$175 gap is eliminated (by 2028).
- A combination of the two options above would also be possible – authority in the meantime, close the gap over the long haul.

The UEN calls on the Iowa Legislature to create basic funding equity for all children by raising the per pupil allotment to the current maximum for all districts in the state.

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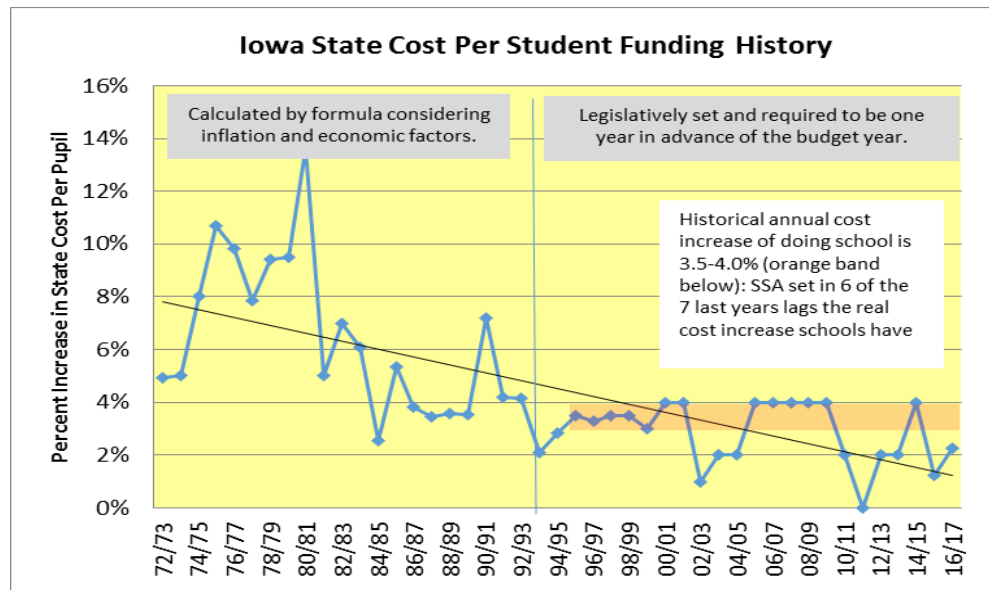
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Funding Adequacy State Percent of Growth

The chart below shows the historical percentage increase in Iowa's state cost per pupil, previously known as Allowable Growth, now called State Supplemental Assistance, since the funding formula began in 1972-73:

There is a cumulative impact to low funding and several years with no time for planning.

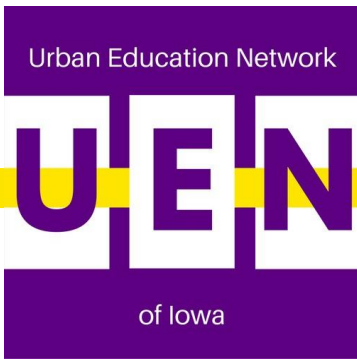
- In six of the last seven years, the increase in the cost per pupil has fallen short of cost increases school experience.
- In five of the last seven Sessions, the legislature did not set the growth rate in the year preceding the budget year, as required by law.



Iowa Code Section [257.8](#), subsection 1, requires: “The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the submission in the year preceding the base year of the governor’s budget under section 8.21.”

Current reality: School budgets are complicated. Annual cost increases include aging the salary schedule, salary negotiations, cost of employee benefits, insurance, busing (drivers, fuel), textbooks, utilities, professional development and staff training, paper and materials, library books, instructional software, science labs and equipment, staffing and materials for specific student programs (dropout prevention, at-risk, English-language learner, special education, CTE programs, etc.) Low funding impacts the weightings, or multipliers, assigned to students requiring special education services, English language learner supports, preschool costs, assessments and administrative leadership and support.

The funding percentage is also applied to class size/early intervention, teacher salary supplements and professional development supplements per student, and mostly recently include the new Teacher Leadership and Compensation (TLC) supplements, but those revenues are strictly regulated for specific purposes. Additionally, school transportation costs and unfunded mandates from the state and federal level are paid from the per pupil amount. When costs increase greater than funding, program and staff reductions follow.



Perception of State Funding Increases: Some metrics, such as the percent of the state budget dedicated to education, are used to demonstrate an increased commitment, but the commitment is illusive.

First, the general fund portion of the budget no longer includes tobacco and alcohol taxes, as it did 20 years ago. Second, the property tax portion of school funding has dropped from 50 percent in 1985, to 43 percent in 1990, to 39 percent in 1995 down to 33 percent in 2015. Some of the increases in state money have simply offset property taxes, not providing additional money for Iowa schools to spend on students.

A true apples-to-apples comparison is found if you consider what percent of total state resources are spent on education. The National Association of State Budget Officers (NASBO) [State Expenditure Report](#) analyzes all state expenditures excluding bonds (not just general fund.) In their analysis titled State Spending by Function, as a Percent of Total State Expenditures, Fiscal 2015, "Iowa Elementary and Secondary Education for FY 2015 was 16.3% of total state spending." That is below the national average of 19.3% for all states and further below the 19.6% average for the plain states region, in which Iowa is categorized.

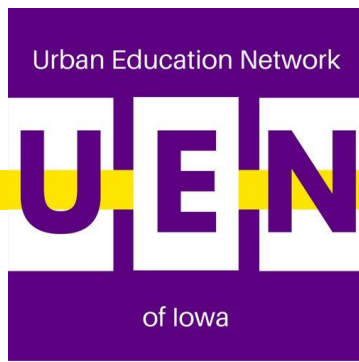
Impact: Schools have been working very hard to deliver results for students. Iowa has seen slight growth in NAEP scores despite significant growth in poverty and ELL students. Iowa continues to rank first in the nation in graduation, with over 90% of our students graduating with their class in four years. Schools are committed to school improvement efforts, such as TLC, early literacy and STEM initiatives.

These efforts will be compromised if the basic foundation of school funding is not sustained. Schools in Iowa are experiencing an increasing number of teacher shortage content areas. 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, making the job even harder. Programs are being eliminated. Districts are offering fewer extracurricular and fine arts opportunities for students, especially in middle school, resulting in less opportunity and engagement for students. This trend will not only diminish the quality of Iowa's workforce but impact our state's future quality of life.

UEN calls on the Iowa Legislature to make a speedy decision on the state cost per pupil as the 2017 Legislature convenes and to set it high enough to begin to restore lost ground that has accumulated over several years. Additionally, the law requiring advanced determination of the cost per pupil should be followed, setting the rate for the 2018-19 school year. The future of Iowa's children is at stake.

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Issue Brief 2017

Home Rule District Authority

Background and History: A Home Rule framework for decision-making starts with the assumption that local leaders, closest to students and communities, will make the best decisions for their schools.

This is in contrast to Iowa's current system of Dillon's Rule, which states that schools can only do what is expressly authorized in state law. Dillon's Rule is based on a court case in 1868, in the Iowa Supreme Court. Iowa cities and counties were granted home rule via Iowa constitutional amendment (municipalities in 1968 with the 25th amendment and counties via the 37th amendment in 1978.) Both of those amendments specifically excluded taxing authority, which remains heavily regulated by the State. Additional 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](#).

Such flexibility has not yet been extended to Iowa school districts, although for many other purposes of statutory interpretation, school districts are considered to be municipalities. Either a constitutional amendment or legislation granting Home Rule authority would not eliminate any current laws, but would grant flexibility in the areas not written. School districts would still be required to follow laws that prescribe their actions as well as avoid actions prohibited in law.

Why do school leaders support Home Rule?

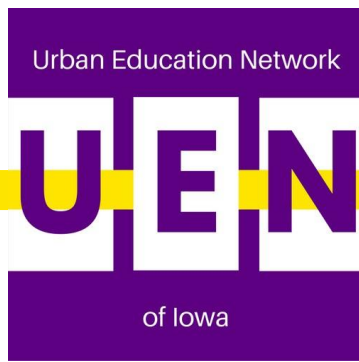
- School districts are called upon to deliver results, but often cannot exercise local authority to implement new practices, update processes, or think creatively.
- If a school takes an unacceptable action in a home rule environment, the legislature may later prohibit it.
- Recent examples involve the need to change Iowa law to allow districts to make electronic payments rather than "stamp warrants" or consider a bus motor as "transportation equipment" for physical plant and equipment levy uses.
- Transition to home rule need not be cumbersome. The state of Kansas moved to statutory home rule for schools in 2003, without court challenge since.

Decision-makers closest to communities are in the best position to make decisions benefiting students in those communities. What Alexander Hamilton explained 1787 holds true today: "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

UEN calls on the Iowa Legislature to give school districts needed flexibility: Iowa school districts should be subject to Home Rule to promote flexibility and creative decision-making as opposed to the more restrictive Dillon's Rule interpretation of State authority.

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Issue Brief 2017

Student Mental Health Services

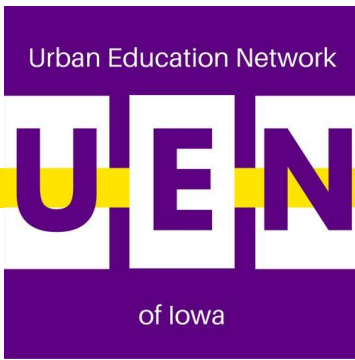
Current Reality: Staff members from UEN districts and AEAs gathered in October 2014 for the UEN Mental Health Symposium, to hear presentations from three exemplary districts and discuss observations about student need, barriers to meeting that need, and share best practice. Overwhelmingly, the group concluded:

- Mental Health needs of students and their families have increased (See back page for data regarding incidence of mental health issues for students and other resources.)
- Access to services is limited for many reasons, sometimes lack of professionals in the community, sometimes lack of access at school, sometimes lack of parent willingness to connect students to services, or lack of funding to provide appropriate services.
- School staff support is inadequate to meet the mental health needs of students, although every district reported heroic efforts. School counselors are not adequately trained to meet every student's need. Students with mental health issues who are not designated as special education or do not have mental health services included in their individual education plan if they are receiving special education services are increasingly falling through the cracks.
- The intersection of education, juvenile court, law enforcement, human services, public health and local and state governments and programs has further compounded the responsibility and services for students with mental health needs. As such, these players must come together to define solutions and support each other, putting students first.
- Failure to meet mental health needs of students and their families prevents students from achieving academic success and may risk the health and safety of other staff and students.
- Statistics from *Statewide Call for Action: A Strategic Plan for a Children's Mental Health Redesign in Iowa* and a link to the Children's Mental Health and Well-Being Workgroup Recommendations Dec. 2015 follow below.

The UEN calls on the Iowa Legislature to provide access to mental health services for students and clarify funding sources and responsibilities. Fund mental health student supports through the school foundation formula (student weighting, shared obligation across districts or AEAs provisions) and/or early childhood, human services and juvenile justice appropriations when appropriate.

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Issue Brief 2017
Quality Preschool for All Students

Background: Iowa's Statewide Voluntary Preschool Program for Four-Year-Olds was phased in over several years, from FY2008 through FY2011. After an initial year of start-up, programs were funded in their second year and beyond through the school funding formula. Originally funding was a weighting of 0.6 (which equates to 60% of the state cost per pupil) but was reduced to 0.5 beginning in FY 2012. The LSA Issue Review estimates that SVPP and the Shared Visions PK program together serve just under 60% of Iowa four-year-olds. The 22,690 preschool students estimated to be served in FY 2016, compared to average K-3rd grade class sizes of 37,808, confirms that estimate, leaving an estimated 15,118 Iowa students without a quality preschool experience.

Why does preschool matter? Once considered a strategy just to support working parents with child care needs, the majority of states now view access to high-quality preschool programs as a long-term investment in the future workforce. 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.*
- Other sources also quantify impact in addition to the above:

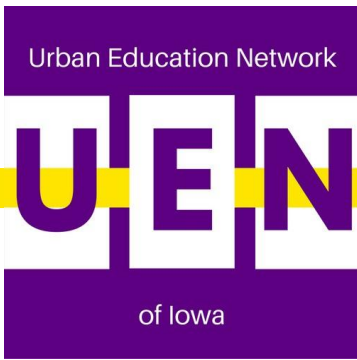
Education Commission of the States, Oct. 2014, <http://www.ecs.org/docs/early-learning-primer.pdf>: National Conference of State Legislatures quotes studies on long term return on investment. <http://www.ncsl.org/research/human-services/new-research-early-education-as-economic-investme.aspx> The Perry Preschool Project, 40 years later, documents \$17 savings for every dollar invested (earlier findings of \$8 saved for every dollar invested are also referenced and often cited.)

Overcome Barriers to Expansion: Improvements in access, especially for students from low income families, requires additional flexibility of funding to overcome barriers, wrap-around services to help working families, and additional weighting for all-day programs for students from low-income families, in addition to consistency, timeliness and predictability of funding.

Extraordinary Student Needs: Childhood Poverty / At-risk / English-Language Learner / Preschool Student Weighting: UEN encourages the Iowa Legislature to support students from low-income or non-English speaking families or at-risk of dropping out through the school foundation formula. Fund districts based on student need. Give districts flexibility to identify students and direct funds to educate them. *UEN supports an elevated commitment to quality PK standards, expanded/universal access for 4-year-olds, state start-up money for expansion (such as on-time modified supplemental authority for PK enrollment growth), flexible use of PK funds for wrap-around services and access for 3-year-old students. Iowa should invest early, to prevent higher costs later.*

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Issue Brief 2017

Extend the State Penny for School Infrastructure

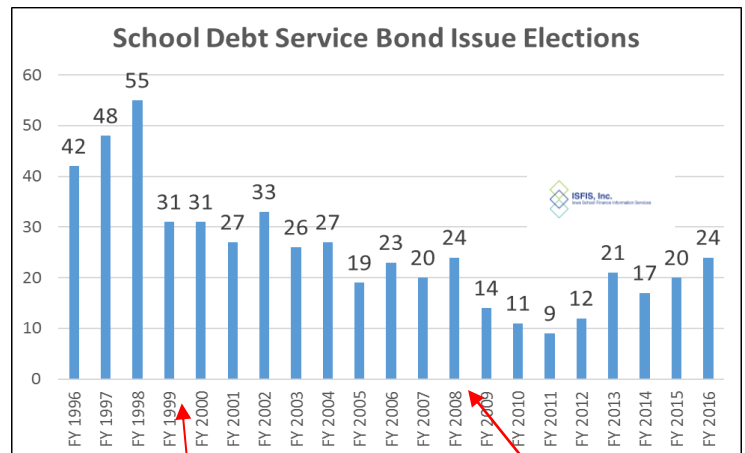
When the State Penny for School Infrastructure was created in 2008, the legislation included a Dec. 31, 2029 sunset; a legitimate 20-year timeframe that matched the typical bonding period for property-tax funded projects. Nine years later, schools are feeling the pinch of a shortened bonding period:

- With only 12 years of bonding capacity, the shortened bonding stream – more than \$700 million dollars of borrowing capacity, is unavailable compared to if schools had a full 20 years.
- With low interest rates and unmet needs, this is the wrong time to turn to property taxes rather than sales taxes to continue facilities repair and construction.
- Fallback will always be property taxes. Inequity in valuations means some districts will use PPEL or Debt Service property taxes bearing no relationship to enrollment or need. Iowa will fall back into the infrastructure mess school experienced with inadequate facilities and unequal student resources.

State penny has taken on the age-old problem of equity and adequacy for school facilities. Use of the local option tax from 1998-2008 and the state penny sales tax for school infrastructure since has:

- Funded technology expansions in districts (such as 1:1 initiatives)
- Elevated student learning (such as science labs in middle schools to support STEM)
- Resulted in fewer days lost to extreme temps and returned saved energy dollars to education program
- Equalized infrastructure funding per pupil
- Purchased items otherwise requiring PPEL levy increases or new Bond Issues
- Reduced property taxes and provided additional property tax relief through dedication of use tax to equity.

The annual history of the number of bond elections proves the point: fewer bond issues were initially voted on every year since the start of the state penny, although the downward trend has reversed. If the penny cannot be anticipated for a full 20 years, property taxes will escalate.



School Infrastructure Local Option Taxes were first available to districts in FY 1999. The State Penny was passed in the 2008 Session.

The replacement cost of Iowa schools is an estimated \$16.4 billion (July 1, 2014). The penny funds about 2.5% of the total, a reasonable amount to maintain and update Iowa schools while also providing for equipment, computers, busses and property tax relief.

The UEN supports extension of the Penny. Eliminate the sunset permanently, allowing districts to maintain facilities and technology without needlessly increasing property taxes. Future state penny revenues should remain dedicated to schools and property tax equity/relief.

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Collective Bargaining [HF 291](#) Section Analysis, Detail and Resources

Section 1: Defines “supplemental pay” as any payment of moneys or other things of value in addition to compensation received pursuant to any other permitted subject of negotiation in section 20.9 related to employment relationship.

Section 2: Restricts PERB duties to only administering chapter 20 (not interpreting or applying the law)

Section 3: Requires PERB to contract with a vendor as necessary to conduct association certification and recertification elections required by section 20.15. Requires fees for the cost of the election be paid by the association on the ballot in advance of the election.

Sec. 4: Adds evaluation to list of employer rights (hire, evaluate, promote, demote, transfer, assign and retain public employees) and states that employers may suspend or discharge public employees.

Sec. 5: Adds a new subsection to employee rights to exercise any right or seek any remedy provided in law and lists several related code chapters involving civil suits, civil rights and civil service chapters.

Sec. 6: scope of negotiations: Specifies that for bargaining units without at least 30% public safety employees, process to meet in advance of employer budget-making process and restricts mandatory subject of bargaining to base wages only, with other matters mutually agreed upon being permissive. Requires that mandatory subjects (base wages) be interpreted narrowly and restrictively. Excluded from negotiations: dues checkoffs and other payroll deductions for PACS, insurance, leaves of absence for political activities, supplemental pay, transfer procedures, evaluation procedures, procedures for staff reduction, subcontracting public services, shall also be excluded from the scope of negotiations. Allows a contract term for up to 5 years.

Sec. 7: Adds to prohibited practice that employees can’t negotiate with employer or board member who isn’t the designated bargaining rep for the employer.

Sec. 8: Doubles the wait period to two years if employee organization fails to comply with an injunction or is convicted of violating this section and requires they go through certification process again to be the bargaining unit.

Sec. 9: **Elections:** For initial **certification elections**, changes requirement from 10% to 30% of public employee signatures in the unit. Changes the standard from majority of those voting to majority of those in the bargaining unit. If there is no majority, the bargaining unit shall not be represented by an employee organization. Requires two-year wait from date of last certification election. **Retention elections:** requires PERB to conduct an election to retain and recertify the bargaining rep of a unit prior to the expiration of the collective bargaining agreement and determines when the elections shall occur. Bargaining rep continues if majority of those public employees in the unit vote to retain. If majority don’t vote to retain, the unit is decertified and there is no rep until a recertification election is successful. **Decertification elections:** if petition is filed, PERB shall submit question to public employees of the unit and the ballot shall ask whether the bargaining rep of the public employees in the unit shall be decertified. If majority vote to decertify, there is no bargaining rep until a certification election is successful. Petition for decertification can only be considered by PERB if the current collective bargaining agreement exceeds two years in length.

Invalidation of elections: specifies who files written objections regarding misconduct or circumstances employees from freely expressing their preferences and process to hold a second election. Also addresses

state agreements. See PERB website statement re Recertification Elections: www.iowaperb.gov

Sec. 10: applies to **state employees only**

Sec. 11: Strikes section about employee prohibited practice of negotiating with board (replaced by new section 20.10 which is sec. 7 above.)

Sec. 12: Allows both parties to agree to deadline for exchange of final offer before arbitration.

Sec. 13: Restricts arbitrator from considering any new evidence on any subject excluded from negotiations except for that necessary to consider comparability. **Sets a limit on arbitrator awards for bargaining units (includes schools) requiring arbitrator to award the lesser of**

a) 3% or

b) CPI for all urban consumers for Midwest region set by US Dept. of Labor, BLS or a successor index. s PERB to notify parties of the CPI mentioned above and allows PERB to get help from Dept. of Workforce Development. (That rolling average CPI is on the PERB Web site

www.iowaperb.iowa.gov)

Requires arbitrator to consider (for schools) 1) comparison of wages, hours, conditions of employment with other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved. To the extent adequate applicable data is available, shall also compare base wages, hours and conditions of employment of with private sector employees doing comparable work. 2) interest and welfare of the public 3) financial ability of the employer to meet the cost of an offer in light of current economic conditions of the public employer. Requires arbitrator to give substantial weight to employers' authority to utilize funds if restricted to special purposes or circumstances by state or federal law, rules, regulations or grant requirements. Prohibits the arbitrator from considering either past practice/past collective bargaining agreements or the employer's ability to fund an award through the increase or imposition of new taxes, fees or charges or to develop other sources of revenue.

Sec. 14: States this law doesn't prohibit individual political contributions, as long as they are not through payroll deductions.

Sec. 15: Requires collective bargaining agreements to be in writing and signed by both parties. Requires employer to file agreement with PERB. Requires PERB to maintain a searchable database of collective bargaining agreements and other info on an internet site.

Sec. 16: Increases the time period from 6 months to 36 months during which a supervisory member of any dept. or agency employed by state of Iowa is prohibited from requesting and receiving a reduction in rank from retiring and receiving benefits associated with the lower rank.

Sec. 17: Adds arbitration to the list of proceedings for which a mediator is not required to testify.

Sec. 18: Applies only to transient employees of DOT

Sec. 19: Adds evidence of employee support for retention and recertification votes to confidential records, and Sec. 20 includes how an individual employee voted is confidential record.

Sec. 21 and 22: **eliminates payroll dues deduction and further prohibits employers from authorizing or administering a payroll dues deduction for membership in an employee organization.**

Sec. 23: Doesn't apply to schools: Eliminates references regarding pension or annuity retirement system (lists waterworks system or other publicly owned utility)

Sec. 24: Clean up language adding "not retained or recertified" to list of public organizations

Sec. 25: **Transition Procedures/Emergency Rules;** as of the effective date of the act (February 17, 2017) parties, mediators, and arbitrators engaging in any collective bargaining procedures who have not completed such procedures shall immediately terminate any procedures in process. Nullifies any CB agreement in process not yet completed. Requires schools to complete negotiations that impact the remainder of calendar year 2017 by June 30, 2017 unless mutually agree to later date. Requires PERB to adopt emergency rules. PERB transition guidance is found on their website [here](#).

Sec. 26: Effective on enactment (Governor signed it on Feb. 17, 2017)

Sec. 27: Applicability provisions: Does not apply to CB agreements already in effect (having been ratified by both the association members and the school board prior to signature), but applies to CB procedures occurring on or after the effective date. Also specifies that preexisting contracts may continue dues deductions.

DIVISION II: EDUCATOR MATTERS

Sec. 28: Allows contracts to be modified (in addition to current law referencing either continuing or terminating a contract.) Allows temporary contracts for period up to 6 months. Allows temp contract to fill a vacancy for employee on military leave. States that temporary contracts are not subject to discharge procedures/rights to appeal.

Sec. 29: specifies that some protection provisions of teachers except for appeal of termination to adjudicator, apply to community college "teachers" in certain circumstance.

Sec. 30: Requires the school board to establish evaluation criteria and procedures and removes evaluation from negotiations. Removes grievance procedure requirements regarding teacher termination.

Sec. 31: Lengthens timelines for private hearing requested by teacher after receiving termination notice, private hearing must be held between 20-40 days (was 10-20). Requires district to furnish teacher documentation which may be presented to the board 10 days (was 5) before the private hearing. Requires teachers to provide district with documentation that teacher expects to present at the hearing 7-days prior (was 3).

Sec. 32: Adds "witnesses for the parties" as individuals allowed to participate in the private hearing. Eliminates board authority to subpoena witnesses. Strikes waiting period of 5 days after teacher does not show at the private hearing, allowing board to proceed with determination. Adds another option to board action of issuing the teacher a one-year, nonrenewable contract (currently board can suspend teacher with or without pay for a period specified by the board.) Eliminates fact finding from record of the public hearing. Requires the written decision of the board and the record of the private hearing are exempt from public records requirements.

Sec. 33: Strikes 279.16(3) (referring no-show witnesses to county court) and strikes 279.16(5) which allowed the superintendent or teacher to provide briefs or written arguments within 3 days of the conclusion of the private hearing.)

Sec. 34: Allows teacher to appeal board's decision to terminate directly to court (removes intermediate appeal to adjudicator from the process.) The Board Secretary is required to transmit to the reviewing court the original or certified copy of the entire record which may be the subject of the petition for review. The court is to give weight to the board's decisions, but may reverse, modify or grant any other appropriate equitable or legal relief.

Sec. 35: **Increases probationary period of newly hired teacher who has previously completed a probationary period from 1 to 2 years.** Allows board to terminate a probationary teacher without cause. Requires board to notify teacher of termination by April 30. Within 10 days, the teacher may request a private conference with the board to discuss reasons for termination. There is no appeal process unless the termination was based on an alleged violation of a constitutionally guaranteed right of the teacher. Eliminates an alleged violation of Chapter 20.10 rights to question the board's final and binding decision for probationary teacher. Eliminates reference to grievance procedures in this code section.

Sec. 36: **Eliminates supplemental pay for coaches from mandatory subject of bargaining.** Eliminates the requirement that a coaching contract be continued automatically. Requires that if the coaches contract and a collective bargaining agreement in force conflict, the provisions of the CB agreement apply. Allows board to terminate a coaching contract for any lawful reason following an informal hearing before the school board. The board's decision is final.

Sec. 37: Eliminates requirement that admin contract includes compensation per week for 5 consecutive days or month of four consecutive weeks, instead requiring contract to include the rate of compensation.

Sec. 38: Allows temporary contract with administrator for up to 9 months.

Sec. 39: In addition to termination the board may issue a one-year nonrenewable contract to an administrator. Increases administrator probationary period from 2 to 3 years, but the board may extend it for an additional year with consent of the administrator.

Sec. 40: Allows an administrator after receiving notice of termination to request a private hearing. Increases the timeline to setting the private hearing between 20-40 days (was 10-20 days). Requires any witnesses to be sequestered. The procedure occurs before an administrative law judge. The administrator may appeal to the board for a private hearing within 10 days. Eliminates fact finding. Requires the written decision of the board and the record of the private of the private hearing are not public records.

Sec. 41: **Discharge of a teacher:** adds definition of just cause including but not limited to a violation of the code of professional conduct and ethics of the BOEE if the board has taken disciplinary action.

Sec. 42: **Eliminates grievance and evaluation procedures** from negotiations. Eliminates additional teaching standards and criteria from negotiations.

Sec. 43: **Teacher Quality Committee:** Strikes reference to negotiated agreement regarding evaluation procedures. Instead of the contract, requires the TQ Committee to determine the compensation for teachers on the committee for work beyond the school day.

Sec. 44: **Specifies that intensive assistance** and its implementation are not subject to grievance procedures or negotiation. States that a teacher having received intensive assistance regarding an Iowa teaching standard or criteria is not subject to another round of intensive assistance on the same standard.

Sec. 45: Strikes requirement of peer review for teachers in one year of the three-year evaluation cycle.

Sec. 46: **Allows district evaluation and review after teacher completes intensive assistance** and if the teacher did not successfully complete the intensive assistance program, they can terminate the teacher's contract immediately, terminate the contract at the end of the year, or continue the contract for a period not to exceed one year.

Sec. 47: Strikes the appeal by teacher to an adjudicator

Sec. 48: This section is effective on enactment

Sec. 49: Applicability provisions: applies to all collective bargaining procedures occurring on and after the effective date of this division.

Sec. 50: If an individual resigns in lieu of termination, was discharged or demoted as the result of a disciplinary action, the documented reasons and rationale for the action are considered public records.

Sec. 51: Applies to state employees only, not schools. Prohibits confidentiality or nondisclosure provisions in personnel settlement agreements.

Sec. 52: Requires public employer that takes disciplinary action that could be a public record to notify the employee prior to taking the disciplinary action that the info placed in the employee's personnel file as a result of the disciplinary action may become a public record.

Sec. 53: Effective on enactment and Sec. 54 Applicability on enactment

Secs. 55-64 civil services provisions not impacting school districts.

Sec. 65. **Public Employee Health Insurance:** Requires that a public employer offer health insurance to all permanent, full-time employees employed by the public employer. There is no definition of full-time employee in the statute. Note: this does not require the district to pay for the insurance.

Resolution template to transfer school general funds to the student activity fund for safety equipment effective on enactment and retroactive to school year beginning July 1, 2016

Whereas participation in athletic and other school extracurricular activities furthers the skills, development, character and growth of our students, and

Whereas safety of our student athletes is of paramount importance to the district, and

Whereas student activity funds are insufficient to cover the costs of protective and safety gear required by the Athletic Associations for students participating in those activities, and

Whereas the Iowa Legislature authorizes school boards to use school general funds for these purposes consistent with the enactment of HF 564 during the 2017 Legislative Session, effective for the school year beginning July 1, 2016,

BE IT THEREFORE RESOLVED:

That the Board of Directors of the _____ Community School District approves the transfer of \$_____ from the general fund to the student activity fund for expenditures that occurred between July 1, 2016 and June 30, 2017 for protective and safety gear required for athletic competition.



STATE OF IOWA

TERRY E. BRANSTAD, GOVERNOR
KIM REYNOLDS, LT. GOVERNOR

DEPARTMENT OF EDUCATION
RYAN M. WISE, DIRECTOR

DATE: March 13, 2017
TO: Sub-Recipients of State Education Dollars
FROM: David Tilly, Deputy Director
Matthew Coulter, Division Administrator and CFO
RE: Mid-Year Iowa Department of Education Budget Reductions

We are writing to inform you of recent budget reductions at the Iowa Department of Education (Department). These cuts will have an impact on specific education programs in which your district may participate. As you know, the Legislature passed and Governor Branstad signed [Senate File 130](#) into law on February 1. This legislation reduces the Department's state appropriations by \$4,527,270 for fiscal year (FY) 2017 (the current fiscal year). Some additional reductions totaling \$688,138 were also applied to the Department's FY17 budget, for total reductions to the Department of \$5,215,408. The Department was given discretion in assigning these budget reductions. In making these reductions, we attempted to minimize the direct impact on Iowa students, districts, and programs. Special consideration was also given to programs that have federal matching or maintenance of effort requirements.

Following is a list of the impacted programs and the amount of reduction from each:

Appropriation	Program Name	Amount Reduced
811	Child Development	(472,732)
898	Sac and Fox School	(3,750)
916	Nonpublic Transportation	(278,230)
I51	Department Administration	(90,000)
I60	Family Support and Parent Education	(463,666)
I69	Teacher Quality/Student Achievement	(2,207,000)
I93	State Library	(185,000)
I98	Enrich Iowa Libraries	(96,534)
IC2	ECL - Preschool Tuition Assistance	(203,583)
IE6	Iowa Reading Research Center	(37,500)
IE9	Competency-Based Education	(87,000)
II9	ECL - School Ready	(206,104)
W01	Attendance Center Rankings	(12,500)
W02	Administrator Mentoring	(710,559)
W03	English Language Learner Grant Program	(18,750)
W04	Online State Job Posting System	(20,000)
W07	AEA Distribution Academic Standards	(37,500)
W17	Early Literacy Warning System	(85,000)

Below is a list of specific program reductions and a description of the impact that these budget reductions will have.

Grimes State Office Building - 400 E 14th St - Des Moines IA 50319-0146
PHONE (515) 281-5294 FAX (515) 242-5988
www.educateiowa.gov
Championing Excellence for all Iowa Students through Leadership and Service

Early Childhood Iowa (ECI): A number of the reductions impact funding for ECI. ECI leadership is aware of the specific reductions and will communicate directly with ECI stakeholders about specific reductions and implications. Department contact: [Amanda Winslow](#)

Shared Visions Program: Shared Visions grants will be reduced by 3.75 percent. This will affect all fourth quarter payments that will be issued during the first part of April. Direct communication from Department program leaders will follow this email with reduction amounts for each award. Grant award recipients will be asked to amend their FY17 budget within IowaGrants. Department contact: [Amanda Winslow](#)

Area Education Agency (AEA) Early Childhood Leadership Network: Early Childhood Leadership Network funds sent to AEAs to support early childhood consultants in each of the AEAs will be reduced by 3.75 percent. The FY17 AEA Early Childhood Leadership Network grants will be reduced in the second payment this year. Direct communication from Department program leaders will follow this email with reduction amounts for each AEA. AEAs will be asked amend their FY17 budget within IowaGrants. Department contact: [Kimberly Villotti](#)

Nonpublic Transportation: Payment to public school districts for support of nonpublic school transportation will be reduced by \$278,230, which represents a reduction of 3.25 percent of funds previously appropriated. Each public district's nonpublic transportation payment will be reduced by 3.25 percent. Nonpublic administrators should contact their public school administrative team to determine specific impact of this reduction at the local level. Department contact: [David Tilly](#)

Mentoring and Induction Payments: Statewide, the mentoring and induction allocation was reduced by \$150,819. Final payments to districts will be reduced to account for this budget cut. The first installment of payments was sent in February. The second payment will be sent later this month and will be an additional \$567.68 per mentor. Department contact: [Jay Pennington](#)

Iowa Reading Research Center (IRRC): The IRRC award will be reduced by 3.75 percent or \$37,500. The IRRC has been contacted, the contract for the center will be amended and IRRC will provide a revised budget for Department approval. Department contact: [David Tilly](#)

AEA Distribution to Support High Academic Standards: The \$1M appropriation used to support curriculum content experts across the state will be reduced by 3.75 percent or \$37,500. AEA administrators are aware of this reduction and its implications for their programs. No action is needed by AEAs at this time. Department Contact: [David Tilly](#)

Early Literacy Warning System: The appropriation for the state's Early Warning System has been reduced by \$85,000 or 4.25 percent. This reduction will result in the delay of implementing planned system improvements. The system will remain up and running for use by districts. Department Contact: [Amy Williamson](#)

Competency-Based Education (CBE): The CBE appropriation will be reduced by \$87,000. This reduction will be taken mostly from the dollars earmarked to support Department salaries. Small reductions will also be made to vendor contracts for activities supporting the CBE collaborative. CBE funds designated to directly support CBE implementation in districts will not be reduced. Department contact: [David Tilly](#)

English Language Learners (ELL) Grant Program: Funds to districts participating in the ELL grant program will be reduced by 3.75 percent. Direct communication from Department program leaders will follow this

email with specifics of how this reduction will be applied across grant awards. Department contact: [Jobi Lawrence](#)

Statewide Support for Iowa Core: Statewide funding to support implementation of English language arts, mathematics, science, social studies and 21st century skills academic standards was reduced by 28 percent or a total of \$112,500. These reductions will result in reduction of professional learning opportunities for teachers and reduced development of instructional resources. Moreover, the reductions will slow down the pace of implementation of updated academic content standards in Iowa. Department contact: [Erika Cook](#)

Differentiated Accountability (DA) Implementation: Resources for Iowa's Differentiated Accountability implementation efforts were reduced by \$80,000. This reduction has resulted in a reduction of follow-up training and support available to schools and districts identified as in need based on the DA process. Department contact: [Amy Williamson](#)

Administrator Mentoring: Funding for the administrator mentoring program, which is a partnership between the Department and the New York City Leadership Academy and supports principal leadership in the context of the Teacher Leadership and Compensation (TLC) System, will be reduced by \$710,559. This adjustment will not impact principals currently participating in the program, but will require an additional appropriation for the program to continue in the 2017-2018 school year. Department contact: [Ryan Wise](#)

Department Administration: The Department's operations budget (I51) was reduced by \$90,000. This reduction will be addressed by not filling open positions at the Department as well as by reducing staff travel and meeting expenses. Department contact: [Matthew Coulter](#)

2017 Legislative Interim Studies

A. Statutory Committees

1. Legislative Fiscal Committee (Iowa Code §§2.45(2) and 2.46)

Charge: The committee is a permanent legislative committee under the Legislative Council. Duties include directing the administration of performance audits and visitations, studying the operation of state government and making recommendations regarding reorganization to the General Assembly, and conducting studies as assigned by the Legislative Council.

Members: 5 Senate/5 House

Meeting Days: As approved by the Chair and Vice Chair of the Legislative Council.

2. Legislative Tax Expenditure Committee (Iowa Code §§2.45(5) and 2.48)

Charge: The committee is a permanent legislative committee under the Legislative Council. Duties include approving annual estimates of the cost of tax expenditures by December 15 each year, and performing a scheduled review of specified tax credits so that each credit is reviewed at least every five years. The seventh scheduled review is in 2017.

Members: 5 Senate/5 House

Meeting Days: As approved by the Chair and Vice Chair of the Legislative Council.

3. Health Policy Oversight Committee (Iowa Code §2.45(6))

Charge: The committee is a permanent legislative committee under the Legislative Council. Duties include providing continuing oversight for Medicaid managed care, ensuring effective and efficient administration of the program, addressing stakeholder concerns, monitoring programs costs and expenditures, and making recommendations to the General Assembly.

Members: 5 Senate/5 House Meeting

Days: As approved by the Chair and Vice Chair of the Legislative Council.

4. State Government Efficiency Review Committee (Iowa Code §2.69)

Charge: The committee is a permanent legislative committee required to meet, as directed by the Legislative Council, at least every two years, to review state government organization and efficiency options and receive state government efficiency suggestions offered by the public and public employees. The most recent report was submitted in 2016 and the next report of the committee is due by January 2019.

Members: 5 Senate/5 House

Meeting Days: As approved by the Chair and Vice Chair of the Legislative Council.

5. Public Retirement Systems Committee (Iowa Code §97D.4)

Charge: The committee is a permanent legislative committee that is required to review and evaluate all public retirement systems in place in Iowa, including the Iowa Public Employees' Retirement System (IPERS), the Municipal Fire and Police Retirement System of Iowa (Code chapter 411), the Department of Public Safety Peace Officers' Retirement System (PORS), and the Judicial Retirement System. The committee typically meets during the legislative interim of odd-numbered years.

Members: 5 Senate/5 House

Meeting Days: As approved by the Chair and Vice Chair of the Legislative Council.

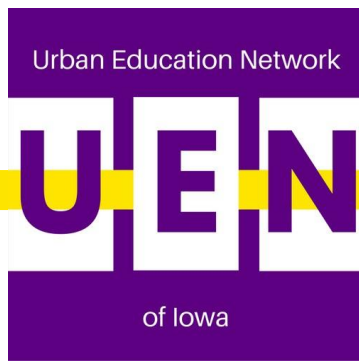
B. Other Interim Studies

1. Opioid Epidemic Evaluation Study Committee (2017 Iowa Acts, HF 653 §117)

Charge: The study committee shall comprehensively evaluate the state's response to the opioid epidemic in the state, including a review of the protocols and practices relating to the prescribing of opioid medications and the treatment options available including medication-assisted treatment. The study committee shall receive input from agencies and entities including but not limited to representatives of the professional licensing boards for professionals authorized to prescribe controlled substances, representatives of public safety and public health, representatives of the medical community and health insurance payers, and consumers and representatives of consumers. The study committee shall submit a report, including findings and recommendations, to the Governor and the General Assembly by November 15, 2017.

Members: 3 Senate/3 House

Meeting Days: As approved by the Chair and Vice Chair of the Legislative Council.



Advocacy and Other Legislative Resources

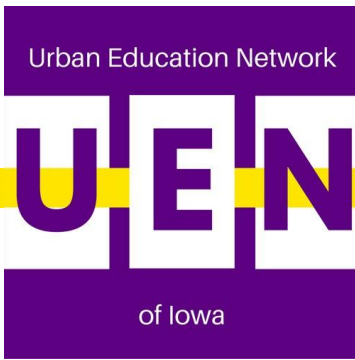
2017 Iowa Department of Education Reports to Legislature

[Antibullying Programming and Projected Expenditures](#)
[Career and Technical Education Redesign Implementation Report](#)
[Child Development Coordinating Council Annual Report](#)
[Competency-based Education Report](#)
[Early ACCESS Legislative Report](#)
[Early Childhood Assessment](#)
[Educational Programs for Children's Residential Facilities Rules Progress Report](#)
[English Language Learners Report](#)
[Equal Opportunity and Affirmative Action Report](#)
[Iowa Autism Council 2017 Priorities](#)

[Iowa Early Intervention Block Grant Program \(Class Size\) 2016-2017](#)
[Iowa Reading Research Center Report](#)
[School Association Reporting FY2016](#)
[Secure an Advanced Vision for Education \(SAVE\) Report FY2016](#)
[Senior Year Plus and STEM Report](#)
[Student Achievement, Accountability and Professional Development Annual Report](#)
[Supplemental Assistance for High-Need Schools Report](#)
[Teacher Leadership and Compensation Status Report](#)
[Virtual Schools in Iowa Annual Report](#)

2016 DE Reports

[Assessment Task Force Report - Science](#)
[Charter and Innovation Zone Schools in Iowa](#)
[Child Development Coordinating Council Shared Visions Annual Report](#)
[Closing Achievement Gaps Report](#)
[Early ACCESS Governor's Report](#)
[Iowa Autism Council 2016 Priorities](#)
[Iowa Core Annual Report](#)
[Iowa Early Intervention Block Grant Program \(Class Size\)](#)
[Iowa Reading Research Center Legislative Report](#)
[Kindergarten Literacy Assessment Preliminary Report](#)
[School Association Reporting](#)
[SAVE-SILO Legislative Report](#)
[Virtual Schools in Iowa Annual Report](#)



Iowa State Legislature

<https://www.legis.iowa.gov/>

Iowa Department of Education Legislative Page including Bill Tracking, Legislative Reports and Guidance and Updates on Legislation

<https://www.educateiowa.gov/resources/legislative-information>

Urban Education Network Legislative Page

<http://www.uen-ia.org/legislation.htm>

Parents for Great Iowa Schools

<http://parentsforgreatiowaschools.com/>

ISFIS Web Site: Conference Presentations

http://www.iowaschoolfinance.com/conference_handouts

Sessions on Decision-making Paradigm Shift with new Flexibility, School Election changes and Summary of Legislative Action.

School Administrators of Iowa

<http://www.sai-iowa.org/advocacy.cfm>

Iowa Association of School Boards

<http://www.ia-sb.org/>