



# Digest of the 2016 Legislative Session

## Actions Impacting Iowa UEN (Urban Education Network) School Districts

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*Iowa School Finance Information Services, Inc.*  
Digest of the 2016 Legislative Session Activities  
Impacting Iowa Urban Education Network Schools  
[www.uen-ia.org](http://www.uen-ia.org)





## About UEN

The Urban Education Network of Iowa (UEN) is a consortium of Iowa's eight largest school districts and nine Associate Member districts. Combined, these seventeen districts enroll nearly forty percent of Iowa's total public school enrollment, but an even larger proportionate share of the state's low-income, non-English speaking, and minority students.

Although the UEN was formed in the 1984-85 school year to represent the unique characteristics of Iowa's more urban districts, most UEN initiatives address issues important 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, School Administrators of Iowa, Rural School Advocates of Iowa, Iowa Area Education Agencies, Iowa PTA, and 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.

You are invited to check out the UEN website that includes information of interest, most of which can be accessed by simply clicking on the various links at [www.uen-ia.org](http://www.uen-ia.org).

### UEN Steering Committee 2015-16 School Year

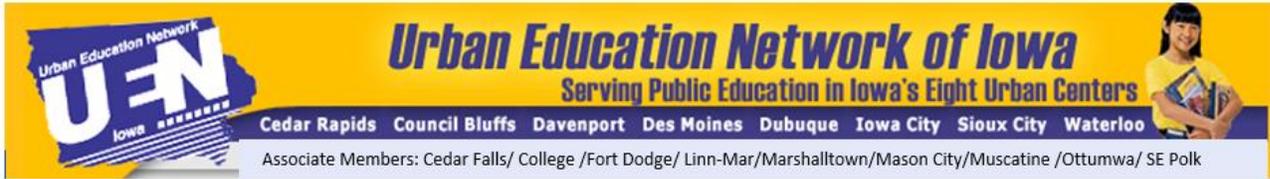
Jane Lindaman, Superintendent, Waterloo, Chair  
Arthur Tate, Superintendent, Davenport, Chair-Elect (1)  
Steve Murley, Superintendent, Iowa City, Chair-Elect (2)  
Stan Rheingans, Superintendent, Dubuque, Past Chair  
Cindy Elsbernd, Board President, Des Moines  
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*UEN Legislative Priorities as Approved by  
Nov. 18, 2015 Steering Committee*  
**2016 Session**

**Funding Adequacy State Percent of Growth:** UEN supports the provision of adequate funding in order to fulfill the goal of regaining Iowa’s first in the nation education status to deliver world-class results for students. School funding requires balanced sources of revenue for sustainability. Iowa’s investment in public education ought to more closely mirror the economic growth our state has been experiencing and make up for lost ground over the previous six years of record low increases. The UEN encourages the Governor and Legislature consider a commitment to the following principles in setting the state cost per pupil:

- **Timing:** come to agreement on the state cost per pupil in the proper time required by law.
- **Equity:** create equity for ALL children by addressing district cost per pupil equity, property tax equity and transportation equity.
- **Adequacy:** fund districts for actual costs, noting that the focus on restricted categorized funding inhibits schools’ flexibility to make wise decisions to meet the needs of all students.

*Status: FY 2017 SSA per pupil, set at 2.25%, was not adequate. Timing improved slightly, with Governor’s signature on April 6, just two and a half months before the start of the fiscal year. There was no action on FY 2018.*

**Extend State Penny Sales Tax with Repeal of the Sunset:** UEN supports eliminating the sunset permanently, allowing districts and taxpayers to enable long term planning and access to a full 20 years of sales tax capacity to avoid a resurgence of property tax bond issues. State penny expenditures must remain restricted as exists in current law (construction, repair, technology, equipment, buses, etc.) and as approved by voters in 99 counties, including property tax relief.

*Status: Many bills were introduced, including Governor’s tie of penny to water quality. All activity stalled in House Ways and Means Committee, including SF 477 approved on a bi-partisan vote in 2015 session which simply extended the penny through 2049*

**Student Mental Health Services:** UEN acknowledges that mental health needs are increasing, yet the delivery systems of education for students with mental health challenges as well as services to meet mental health needs both in and out of school are experiencing funding and regulatory challenges. UEN supports access to mental health services for students and clarity of funding sources and funding responsibilities, particularly for students costly to educate, such as those in residential facilities. UEN encourages state support for mental health services through either the education system (weighting for students with mental health challenges without special education distinction or funding which parallels the process for state juvenile home educational expenses) and/or early childhood, human services/juvenile justice appropriations when appropriate.

*Status: SF 2297 would have created planning grants to develop and deliver crisis Mental Health services to children following task force recommendations. Died in the House Human Resources Committee.*

**Childhood Poverty / At-risk / English-Language Learner Student Weighting:** UEN supports revisions to the foundation formula to support students from low-income or non-English speaking families and students at-risk of dropping out. Funding should reflect student need and districts should have authority to identify students and flexibly administer funds.

*Status: SF 471 Low-income Program Supplement, still alive from the 2015 session, was assigned a new Senate subcommittee in the appropriations committee, but did not receive additional action. Legislature again delayed the \$10 million for high needs school grants and ELL bills introduced in the Senate made no additional progress.*



**Formula Equity:** UEN supports promoting both student and taxpayer equity in the school foundation formula, including equalizing the district cost per pupil and providing tax equity to property poor districts within the formula and other property-tax supported levies.

*Status: Initially reviewed by the Dec. 2015 School Finance Inequities Study Committee, both issues were repeatedly introduced in various forms of legislation, but no action made it to the Governor's desk.*

**Assessment:** UEN supports assessments aligned with the Iowa Core Standards, including the recommendation of the Assessment Task Force to use Smarter Balanced Assessments for Iowa's state test. The Task Force recommendation included formative and end-of-course assessments, measuring both attainment and growth, as part of an assessment system. The state should provide funding for additional district assessment costs pursuant to implementation of the Smarter Balanced Assessments.

*Status: Despite attempts from both sides to derail the Smarter Balanced Assessment progress and lack of an appropriation to pay for the costs, the Legislature approved and the Governor signed a one-year delay of implementation for schools. The Governor also vetoed an additional requirement for the Administrative Rules review committee to revisit the DE rules in December 2016. See UEN letter requesting these actions [here](#).*

See the rest of the UEN Legislative Platform on the legislative web page here [http://www.uen-ia.org/legislation\\_priorities.htm](http://www.uen-ia.org/legislation_priorities.htm)

## Legislative Session Approval and Veto Process

The 2016 Legislative Session drew to a close on April 29, 2016, well ahead of the prior year's June 5, 2015 adjournment. Although nearly 1,144 pieces of legislation were introduced in the Iowa Legislature this Session, 132 made it to the Governor's desk.

This Digest details legislation enacted by the 2016 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 did not pass, but may resurface in the future. The information section of this digest includes position papers on issues of key interest to Iowa schools that guided UEN advocates during the Session. The 2016 Session was the second of the two-year biennium of the 86<sup>th</sup> Iowa General Assembly. During the 2016 Legislative Session, bills that were introduced in 2015 and moved partially through the process (approved during floor debate in the chamber of origin in the prior year) remain eligible for consideration. SF 174 and SF 175, State Cost per Pupil for FY 2017, were good examples of bills left in committee at the conclusion of the 2015 Session that remained eligible for consideration:

- **SF 174:** Sets state percent of growth for regular program cost per pupil at 2.25% for FY 2017. First approved in the Senate, Feb. 5, 2015 at 4% increase in the cost per pupil. Here is the link to the Senate version fiscal note <https://www.legis.iowa.gov/docs/publications/FN/632689.pdf>. After House action on Jan 25, 2016 amended the bill to a 2% increase. Nearly two months later, a conference committee came to agreement and issued a conference committee report on March 23, 2016, with a 2.25% increase in the cost per pupil. *Signed by Governor 4.6.16*
- **SF 175:** Sets state percent of growth for categorical program cost per pupil at 2.25% for FY 2017. *Signed by Governor 4.6.16 (same time frame and process as SF 174.)*



**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 is Sunday May 29. *The Governor completed his action on May 27.*
- 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.

## Executive Summary - 2016 Session in Review

**Student Equity:** the 2016 Session initially opened with hopes of addressing education equity following the December 2015 meeting of the Legislative Interim Committee on School Finance Inequities. The committee heard testimony and studied inequities, including transportation expenditures and per pupil inequity in the formula, both of which are on RSAI’s priority list. This [link](#) details the information shared with committee members, including a UEN presentation on Property Tax Equity. One of the ideas that surfaced from the Interim Committee included a look at extending the state penny for school infrastructure and dedicating some of the growth in sales tax revenues to solve several of the inequities on the table.

The Governor had different intentions for the state penny, however, announcing in his State of the State address in early January, his priority of extending the penny through 2049, allowing as much as \$10 million in annual growth to contribute to school infrastructure, but dedicating the rest of revenue growth to water quality improvements. As the Governor’s idea did not generate a successful water quality solution for either the House or Senate, energy went into other water quality solutions, while various ideas to extend the state penny fizzled.

**Budgets:** conservative budget principles guided decision-making in the House as absolutes and pent up demand for services across many areas of state government, education primary among them, remained unsatisfied. It was relatively quiet in the education policy arena, aside from focusing on a few minor policy bills, assessment and summer school/retention delays. There was a theme in the House, reflecting those conservative budget principles, to avoid unfunded mandates on schools. Delayed funding decisions were the primary focus of education advocates, including UEN, although urban advocates continued to talk about Extension of the State Penny, funding for English-language learners, at-risk student needs and formula equity, as critical policies to support schools.



Our Children,  
Our Future

**Coalition Advocacy:** UEN is a member of the Public Education Coalition, made up of the Area Education Agencies of Iowa, the Iowa State Education Association, the School Administrators of Iowa and the Rural School Advocates of Iowa. The Coalition coordinated key messages and an education fact publication sent to each organization’s respective memberships in order to harmonize messaging. Access the following links from the [www.uen-ia.org/funding.htm](http://www.uen-ia.org/funding.htm) web site to see the Education Coalition’s work:

- 4.08.2016 [The Facts about Education Funding](#)
- 3.30.2016 [Education Coalition Fact: Set the 2018 State Cost per Pupil](#)
- 2.23.2016 [Education Funding and the Cost of Doing Business](#)



**Late Decisions on Per Pupil Costs:** despite being required by law, the Legislature and Governor, once again, did not abide by the Iowa Code to set the state cost per pupil for the out year, beginning in 2017-18 in this case. They only set the cost per pupil for 2016-17. The Senate passed [SF 2092](#) Categorical State percent of Growth and [SF 2093](#) State percent of Growth on Feb. 9, 2016, setting both at 4% for the 2017-18 school year. Those bills were assigned to the House Education Committee where they received no further action.

**Observation of 2016 Session Themes:**

- Both chambers (parties) stated that Iowans sent balanced leadership, were committed to getting done on time, would work together and not drag things out
- Conservative Budget Principles limited appropriations with predictable low revenue growth as revenue reductions (tax cuts) and a soft farm economy delivered lower growth than would have otherwise occurred



- Tax cuts were on the table to be resolved first before consensus appropriations/budget targets could be set
- There were several bills concerning gun rights that made it to the Governor's desk
- Big ideas, no action in the following areas:
  - Water quality/state penny extension
  - Inequities for education (including transportation, funding formula equity and resources for educating students from low-income or non-English speaking families)
  - Medicaid (privatization, oversight, and defunding Planned Parenthood)
  - Medicinal Cannabis Oil

Although final action on school funding was accomplished faster than the prior Session, the Legislature and Governor are still out of compliance with both the Iowa Code and the timelines needed for schools to have adequate planning. A few policy bills, such as HF 2392 on Career and Technical Education, made it to the Governor's desk, including a few smaller bills regarding open meetings law. Progress was made on a state assessment, as various efforts to derail the adoption of Smarter Balanced Assessments were thwarted. The Legislature did agree to delay implementation of SBAC to avoid the unfunded mandate on schools that would have otherwise occurred.

**Continued Work:** meanwhile, the Department of Education, the AEAs and early implementing local districts continued the tough work of the major education reform policies from 2012 and 2013:

- [SF 2284](#) enacted in 2012 included a literacy focused initiative, requiring third-grade retention of students not proficient in reading beginning in school year 2016-2017; creation of the Iowa Reading Research Center; and new efforts in Science, Technology, Engineering and Mathematics (STEM). See SF 2323 Education Appropriations Act below regarding delayed timeline for retention/summer school mandates.
- [HF 215](#) enacted in 2013 made sweeping policy changes including a new teacher leadership/compensation system. Districts representing 2/3 of Iowa students had already begun implementation and the remaining group of districts representing just over an additional 1/3 of students will begin implementation in the 2016-17 school year. SF 2323 also addresses proration of funds regarding this initiative.

**Sum it Up:** the Legislature passed a budget in the 2016 session, but aside from some minor technical corrections, did not undertake many education policy changes as they finished up the final year of the three-year TLC phase in. The same is true of property tax reform, with large changes made in 2013 being finally phased in with this 2016-17 Budget.



**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 \$80 million based on Legislative action (pending Governor’s action): <https://www.legis.iowa.gov/docs/publications/EOS/793240.pdf>

**State of Iowa**  
**Projected Condition of the General Fund Budget**  
(Dollars in Millions)

	Actual FY 2015	FY 2016		FY 2017	
		Revised Gov Rec	Legislative Action	Revised Gov Rec	Legislative Action
<b>Funds Available:</b>					
Net Receipts (Dec REC)	\$ 6,819.7	\$ 7,045.6	\$ 7,045.6	\$ 7,327.4	\$ 7,327.4
Federal Law Change	0.0	1.9	1.9	76.4	76.4
March REC Adjustment	0.0	- 1.9	- 1.9	- 46.4	- 46.4
Net Receipts	6,819.7	7,045.6	7,045.6	7,357.4	7,357.4
Legislative Revenue Adjustments	0.0	- 97.6	- 97.6	22.9	22.6
Subtotal Receipts	6,819.7	6,948.0	6,948.0	7,380.3	7,380.0
Surplus Carryforward (EEF Excess)	647.2	367.3	367.3	45.6	45.6
<b>Total Funds Available</b>	<b>\$ 7,466.9</b>	<b>\$ 7,315.3</b>	<b>\$ 7,315.3</b>	<b>\$ 7,425.9</b>	<b>\$ 7,425.6</b>
<b>Expenditure Limitation</b>				<b>\$ 7,351.1</b>	<b>\$ 7,350.8</b>
<b>Estimated Appropriations and Expenditures:</b>					
Appropriations	\$ 7,063.4	\$ 7,174.3	\$ 7,174.3	\$ 7,351.1	\$ 7,350.6
Supplemental/Deappropriations		72.4	72.4		
<b>Total Appropriations</b>	<b>\$ 7,063.4</b>	<b>\$ 7,246.7</b>	<b>\$ 7,246.7</b>	<b>\$ 7,351.1</b>	<b>\$ 7,350.6</b>
Reversions	- 7.2	- 6.7	- 6.7	- 5.0	- 5.0
<b>Net Appropriations</b>	<b>\$ 7,056.2</b>	<b>\$ 7,240.0</b>	<b>\$ 7,240.0</b>	<b>\$ 7,346.1</b>	<b>\$ 7,345.6</b>
<b>Ending Balance - Surplus</b>	<b>\$ 410.7</b>	<b>\$ 75.3</b>	<b>\$ 75.3</b>	<b>\$ 79.8</b>	<b>\$ 80.0</b>
<b>Under (Over) Expenditure Limitation</b>				<b>\$ 0.0</b>	<b>\$ 0.2</b>

**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 full at \$53.5 million. The Economic Emergency Fund, after transfer of \$45.6 million surplus to the General Fund, and \$10.4 million surplus to the Executive Council for performance of duty, is also full, leaving an estimated ending balance of \$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.

**Reminder about terminology:** Conversations referring to a “structural deficit”, a term defined as an expenditure level in excess of revenues received in a single fiscal year, typically ignore reference to surpluses as carried forward in the LSA balance sheet above.

**Expenditure Limitation:** The FY 2017 net budget appropriation, before Governor’s vetoes, is \$7,345.6 million. That is \$200,000 million 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.

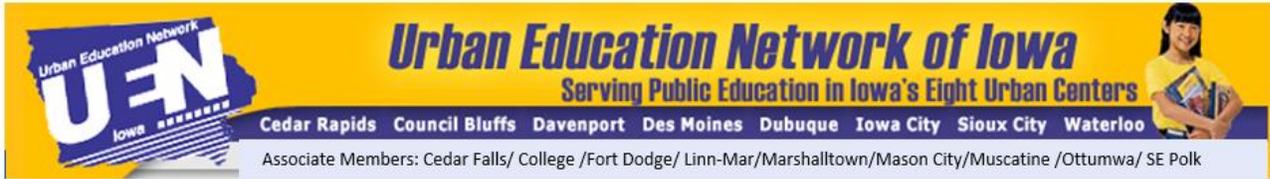


**State of State Revenues:** LSA's July 1 Monthly General Fund Revenue Memo information will be added when available. It provides the analysis of state General Fund Revenues through June 30, 2016.

**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](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

### 2016 Funding/Appropriations Bills Impacting Education

**State Supplemental Assistance:** These bills set the cost per pupil for the 2016-17 school year. **SF 174:** Sets state percent of growth for regular program cost per pupil at 2.25% for FY 2017. **SF 175:** Sets state percent of growth for categorical program cost per pupil at 2.25% for FY 2017.

A spreadsheet indicating the fiscal impact of the 2.25% increase in the state cost per pupil for FY 2017 is found here: [http://www.iowaschoolfinance.com/system/files/members/Excel/new\\_money\\_report\\_fy\\_2017%20\(1\).xlsx](http://www.iowaschoolfinance.com/system/files/members/Excel/new_money_report_fy_2017%20(1).xlsx)

The 2.25% increase in the cost per pupil results in 112 of Iowa's 336 school districts with declining enrollment eligible for the budget guarantee, for a total of \$10.6 million in local property tax dollars to fund the difference between the prior year's regular program budget and a 1% increase. The guarantee is one-time only and recalculated annually, so serves as a short term cushion against a steeper reduction in funding. Even with the budget guarantee in place, 72 districts will receive a drop in regular program district cost compared to the prior year, the largest being a 7.4% decrease. Worthy of note, although declining enrollment is not experienced exclusively in rural areas (both Waterloo and West Des Moines are receiving budget guarantee in the 2016-17 school year), of the 112 districts with budget guarantee, the average enrollment is 914.5 students. Of the 224 districts not on budget guarantee, the average enrollment is 1,701 students.

The 2.25% increase is an increase of \$87.4 million in statewide regular program district cost. However, since the Legislature continues the practice of absorbing the cost per pupil property tax impact (\$10.3 million), rolls year two TLC districts into the formula (\$53.3 million) and restores \$15 million to the AEAs that was later removed in the standings appropriations bill, the cost to the state General Fund on this fiscal note is \$153.8 million.

**Property Taxes:** The total cost to the state is \$41.4 million in property tax replacement payment (PTRP) funding. Senate File 176 (Education Funding Supplemental for FY 2017 approved in the 2015 Session) required state aid to account for the entire increase in the cost per pupil amount due to the state percent of growth in FY 2017.

**Categorical Funds:** the 2.25% increase in per pupil supplements, also known as categoricals, included in SF 175, provides a total of \$460.7 million statewide, for an increase of \$62.6 million (15.7%). This includes \$290.4 million for the teacher salary supplement, \$33.0 million for the professional development supplement, \$33.9 million for the early intervention supplement, and \$103.4 million for the teacher leadership supplement (new school aid funding provision beginning in FY 2016). More than 80% of the total increase is in this last category, as another third of the state rolls their TLC grants into the formula.

The Governor signed SF 174 and SF 175 on April 6. RSAI was registered opposed to both bills as the funding level is not adequate to sustain the quality of education Iowa students need for future success. The following table, from the [LSA Fiscal Note](#), March 23, 2016, shows the detail of state funding and property tax impacts, associated with the 2.25% increase in the State Cost per Pupil for both regular program and categorical funds:



# Urban Education Network of Iowa

Serving Public Education in Iowa's Eight Urban Centers

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

Associate Members: Cedar Falls/ College /Fort Dodge/ Linn-Mar/Marshalltown/Mason City/Muscatine /Ottumwa/ SE Polk



## Legislative Services Agency: Estimated FY 2017 School Aid Estimates (Statewide Totals in Millions)

2.25%  
SCPP: \$ 6,591  
\$145 Increase

### Statewide

FY 2017 Estimates  
Assumes 2.25% State Percent of Growth

Program Funding:	FY 2016	Totals	Est. Change	% Change
Regular Program District Cost	\$ 3,110.0	\$ 3,197.4	\$ 87.4	2.8%
Regular Program Budget Adjustment	16.3	10.6	-5.8	-35.4%
Supplementary Weighting (District)	81.5	88.7	7.3	8.9%
Special Education Instruction (District)	398.7	414.6	15.9	4.0%
Teacher Salary Supplement (District)	267.8	274.9	7.1	2.7%
Professional Development Supplement (District)	30.3	31.2	0.8	2.7%
Early Intervention Supplement (District)	33.0	33.9	0.9	2.7%
Teacher Leadership Supplement (District)	50.2	103.4	53.3	106.2%
AEA Special Ed Support District Cost	153.7	158.2	4.5	2.9%
AEA Special Ed Support Adjustment	1.7	1.4	-0.3	-16.8%
AEA Media Services	27.2	27.9	0.8	2.8%
AEA Ed Services	30.0	30.8	0.8	2.8%
AEA Sharing	0.1	0.0	-0.0	-48.9%
AEA Teacher Salary Supplement	15.0	15.5	0.4	2.8%
AEA Professional Development Supplement	1.8	1.8	0.1	3.0%
AEA Statewide State Aid Reduction	-22.5	-7.5	15.0	-66.7%
Dropout and Dropout Prevention	107.0	107.6	0.6	0.5%
<b>Combined District Cost</b>	<b>\$ 4,302.0</b>	<b>\$ 4,490.5</b>	<b>\$ 188.5</b>	<b>4.4%</b>
<b>State Aid:</b>				
<b>State Aid from General Fund - Itemization</b>				
Regular Program	\$ 1,898.5	\$ 1,939.3	\$ 40.7	2.1%
Supplementary Weighting	71.0	77.3	6.4	9.0%
Special Education Weighting	347.6	361.4	13.9	4.0%
State Categorical Total	398.1	460.7	62.6	15.7%
AEA Special Education Support Services and Sharing	121.5	125.1	3.5	2.9%
AEA Statewide State Aid Reduction	-22.5	-7.5	15.0	-66.7%
Other Property Tax Adjustments	1.2	0.0	-1.2	-100.0%
Property Tax Adjustment Aid (1992)	9.1	8.7	-0.4	-4.5%
Property Tax Replacement Payment (PTRP)	31.1	41.4	10.3	33.2%
Adjusted Additional Property Tax - General Fund	24.0	24.0	0.0	0.0%
Statewide Voluntary Preschool Program	73.3	76.3	3.0	4.1%
<b>State Aid from General Fund</b>	<b>\$ 2,952.9</b>	<b>\$ 3,106.7</b>	<b>\$ 153.8</b>	<b>5.2%</b>
Excess from SAVE Fund	6.3	9.5	3.2	50.7%
<b>Total State Aid (Includes Non-General Fund)</b>	<b>\$ 2,959.2</b>	<b>\$ 3,116.2</b>	<b>\$ 157.0</b>	<b>5.3%</b>
<b>Local Property Tax:</b>				
Uniform Levy Amount	\$ 813.0	\$ 848.8	\$ 35.8	4.4%
Additional Levy Total	604.2	601.8	-2.4	-0.4%
Comm/Ind - Uniform Levy Replacement	20.9	19.9	-0.9	-4.5%
Comm/Ind - Additional Levy Replacement	16.3	15.1	-1.2	-7.4%
<b>Total Levy to Fund Combined District Cost</b>	<b>\$ 1,380.3</b>	<b>\$ 1,415.6</b>	<b>\$ 35.3</b>	<b>2.6%</b>
<b>Miscellaneous Information:</b>				
Budget Enrollment	480,771.9	483,450.9	2,679.0	0.6%
Number of Districts with Budget Adjustment	162	112	-50	-30.9%
Percent of Districts with Budget Adjustment	48%	33%		
AEA Funding	\$ 207.0	\$ 228.2	\$ 21.3	10.3%

# UEN Funding Statistics FY 2017 Regular Program



## FY 2017 Regular Program New Authority Report - UEN Member Districts

Based on a 2.25% State Supplementary Assistance Rate

District	FY 2016					FY 2017						
	Budget Enrollment	District Cost Per Pupil	Regular Program District Cost	Budget Guarantee	Regular Program District Cost w/Adjustment	Budget Enrollment	District Cost Per Pupil	Regular Program District Cost	Budget Guarantee	Regular Program District Cost w/Adjustment	Change in Total Regular Program District Cost	Percent Change in RPDC
DES MOINES	32,396.1	\$ 6,514	\$ 211,028,195	\$ -	\$ 211,028,195	32,581.9	\$ 6,659	\$ 216,962,872	\$ -	\$ 216,962,872	\$ 5,934,677	2.8%
CEDAR RAPIDS	16,842.3	\$ 6,446	\$ 108,565,466	\$ -	\$ 108,565,466	16,939.3	\$ 6,591	\$ 111,646,926	\$ -	\$ 111,646,926	\$ 3,081,460	2.8%
DAVENPORT	15,823.3	\$ 6,446	\$ 101,996,992	\$ 756,048	\$ 102,753,040	15,801.3	\$ 6,591	\$ 104,146,368	\$ -	\$ 104,146,368	\$ 1,393,328	1.4%
SIoux CITY	14,331.6	\$ 6,446	\$ 92,381,494	\$ -	\$ 92,381,494	14,614.8	\$ 6,591	\$ 96,326,147	\$ -	\$ 96,326,147	\$ 3,944,653	4.3%
IOWA CITY	13,328.0	\$ 6,463	\$ 86,138,864	\$ -	\$ 86,138,864	13,671.2	\$ 6,608	\$ 90,339,290	\$ -	\$ 90,339,290	\$ 4,200,426	4.9%
WATERLOO	11,134.4	\$ 6,446	\$ 71,772,342	\$ -	\$ 71,772,342	10,935.7	\$ 6,591	\$ 72,077,199	\$ 412,867	\$ 72,490,065	\$ 717,723	1.0%
DUBUQUE	10,633.7	\$ 6,453	\$ 68,619,266	\$ -	\$ 68,619,266	10,587.9	\$ 6,598	\$ 69,858,964	\$ -	\$ 69,858,964	\$ 1,239,698	1.8%
COUNCIL BLUFFS	9,101.5	\$ 6,515	\$ 59,296,273	\$ -	\$ 59,296,273	9,126.0	\$ 6,660	\$ 60,779,160	\$ -	\$ 60,779,160	\$ 1,482,887	2.5%
LINN-MAR	7,145.2	\$ 6,447	\$ 46,065,104	\$ -	\$ 46,065,104	7,197.9	\$ 6,592	\$ 47,448,557	\$ -	\$ 47,448,557	\$ 1,383,453	3.0%
SOUTHEAST POLK	6,634.4	\$ 6,446	\$ 42,765,342	\$ -	\$ 42,765,342	6,801.5	\$ 6,591	\$ 44,828,687	\$ -	\$ 44,828,687	\$ 2,063,345	4.8%
MARSHALLTOWN	5,385.0	\$ 6,487	\$ 34,932,495	\$ -	\$ 34,932,495	5,321.1	\$ 6,632	\$ 35,289,535	\$ -	\$ 35,289,535	\$ 357,040	1.0%
MUSCATINE	5,328.4	\$ 6,446	\$ 34,346,866	\$ 15,809	\$ 34,362,675	5,170.0	\$ 6,591	\$ 34,075,470	\$ 614,865	\$ 34,690,335	\$ 327,660	1.0%
CEDAR FALLS	4,907.3	\$ 6,453	\$ 31,666,807	\$ -	\$ 31,666,807	5,052.1	\$ 6,598	\$ 33,333,756	\$ -	\$ 33,333,756	\$ 1,666,949	5.3%
COLLEGE	4,800.9	\$ 6,446	\$ 30,946,601	\$ -	\$ 30,946,601	4,947.4	\$ 6,591	\$ 32,608,313	\$ -	\$ 32,608,313	\$ 1,661,712	5.4%
OTTUMWA	4,597.9	\$ 6,446	\$ 29,638,063	\$ -	\$ 29,638,063	4,622.9	\$ 6,591	\$ 30,469,534	\$ -	\$ 30,469,534	\$ 831,471	2.8%
FORT DODGE	3,767.1	\$ 6,473	\$ 24,384,438	\$ -	\$ 24,384,438	3,766.9	\$ 6,618	\$ 24,929,344	\$ -	\$ 24,929,344	\$ 544,906	2.2%
MASON CITY	3,745.5	\$ 6,518	\$ 24,413,169	\$ -	\$ 24,413,169	3,737.9	\$ 6,663	\$ 24,905,628	\$ -	\$ 24,905,628	\$ 492,459	2.0%
Minimum	3,745.5	\$ 6,446	\$ 24,384,438	\$ -	\$ 24,384,438	3,737.9	\$ 6,591	\$ 24,905,628	\$ -	\$ 24,905,628	\$ 327,660	1.0%
Maximum	32,396.1	\$ 6,518	\$ 211,028,195	\$ 756,048	\$ 211,028,195	32,581.9	\$ 6,663	\$ 216,962,872	\$ 614,865	\$ 216,962,872	\$ 5,934,677	5.4%
Average (Mean)	9,994.3	\$ 6,464	\$ 64,644,575	\$ 45,403	\$ 64,689,978	10,051.5	\$ 6,609	\$ 66,472,103	\$ 60,455	\$ 66,532,558	\$ 1,842,579	2.9%
Median	7,145.2	\$ 6,447	\$ 46,065,104	\$ -	\$ 46,065,104	7,197.9	\$ 6,592	\$ 47,448,557	\$ -	\$ 47,448,557	\$ 1,393,328	2.8%
Count > 0	17.0	17	17	2	17	17	17	17	2	17	17	17
Total	169,902.6	\$	\$ 1,098,957,777	\$ 771,857	\$ 1,099,729,634	170,875.8	\$	\$ 1,130,025,750	\$ 1,027,731	\$ 1,131,053,481	\$ 31,323,847	

Districts highlighted in yellow experienced enrollment decline, which is 7 of the 17 UEN member districts.



## State Wide Statistics

FY 2017 Regular Program New Authority Report based on 2.25% State Cost per Pupil Increase



District	FY 2017						
	Budget Enrollment	District Cost Per Pupil	Regular Program District Cost	Budget Guarantee	Regular Program District Cost w/Adjustment	Change in Total Regular Program District Cost	Percent Change in RPDC
Minimum	79.8	\$ 6,591	\$ 539,927	\$ -	\$ 597,836	\$ (307,861)	-7.4%
Maximum	32,581.9	\$ 6,766	\$ 216,962,872	\$ 614,865	\$ 216,962,872	\$ 5,934,677	12.1%
Average (Mean)	1,438.8	\$ 6,623	\$ 9,516,202	\$ 31,452	\$ 9,547,654	\$ 242,913	1.9%
Median	664.3	\$ 6,594	\$ 4,397,972	\$ -	\$ 4,433,752	\$ 75,768	1.2%
Count > 0	336	336	336	112	336	264	264
Total	483,450.9		\$ 3,197,443,987	\$ 10,567,865	\$ 3,208,011,852	\$ 81,618,668	



**SF 2323 Education Appropriations:** The Governor approved all of the appropriations in this bill, but did veto some policy language. In short, this bill primarily funds Iowa's state universities and community colleges, but includes several line-item appropriations impacting PK-12 education. The bill appropriates a total of \$1,099,700,000 (in short, that's almost \$1.1 billion) for FY 2017 from the state General Fund, which is an increase of \$4.9 million. The bill also appropriates \$40.3 million from the Skilled Worker and Job Creation Fund, which continues the same level of funding as current year. In addition, the tracking documents show the standing appropriation for Child Development Block Grant as \$12.6 million. The NOBA detail, including the Governor's budget recommendation, is found [here](#). UEN was registered as undecided on the bill as the bill did not include funding for state assessment or summer school, but did include policy language to delay those state mandates.

#### **Policy Language included in SF 2323:**

**Smarter Balanced Assessments Implementation:** the bill delays until the 2017-18 school year a requirement that students in grades 3-11 take an assessment of core academic indicators that is aligned to the Iowa Core standards; accurately describes students' achievement and growth; and provides a valid, reliable, and fair measure of student progress toward college or career readiness. With this delay approved by the Governor, it is required in current law that the Iowa tests be administered as the state assessment for the 2016-17 school year, in grades 3-11. *The requirement that tests be administered in the last quarter of the school year was likewise delayed.*

**Smarter Balanced Assessments Administrative Rules:** the bill also suspended the State Board of Education's administrative rule for implementing a new state assessment until July 1, 2017. The education associations requested the Governor veto this provision, which he did. Click [here](#) to see the joint letter, May 12, 2016, including UEN signature. Read the Governor's veto message [here](#). The DE and State Board of Education have the authority to move forward to prepare for the transition to SBAC.

**Fine Arts Beginning Teacher Mentoring Program:** the bill directs the DE to contract with a nonprofit organization in Iowa (The Iowa Alliance for Arts Education) to establish a new program to mentor fine arts teachers. The bill creates a fund administered by the DE and authorizes DE to accept private contributions and federal funds. The program is unrelated to the Beginning Teacher Mentoring and Induction allocation in the Student Achievement and Teacher Quality Act.

**Requirements for Teacher Licensure Beyond Initial License:** Permits three years of teaching experience in specific settings (Head Start/Preschool) to satisfy the requirement for teacher licensure beyond an initial license. Current law requires completion of mentoring and induction as the only way to satisfy the licensure requirement.

**One-year Delay of Summer School and Third Grade Retention:** the bill authorized a one-year delay of third-grade retention of students not proficient in reading that do not successfully complete the intensive summer reading program, so the Fall of 2018 will be the first retention requirement for students. The bill also delays the intensive summer reading programs that school district must offer to students nor reading proficiently at the end of third grade, meaning the summer of 2018 will be the first time summer school is required. The delay keeps in place the ability for schools to request a waiver of the summer school/retention provisions for an additional year (*meaning schools could request waiver of summer school in 2018 and further delay local implementation to summer of 2019*).



**Student Achievement and Teacher Quality Allocations:** the bill delays the \$10 million initial appropriation for High Needs Schools until FY 2018. HF 215 Education Reform created this initiative, originally scheduled to begin in FY 2015. This is the third instance of delay.

**DE Anti-bullying Report:** the bill requires the DE to submit a written report by Jan. 15, 2017, to the General Assembly, describing the DE's anti-bullying programming and current and projected expenditures for FY 2017.

**TLC Proration of Grant Funding:** the bill requires the DE to prorate Teacher Leadership and Compensation (TLC) payments to school districts beginning participation in the 2016-17 school year, if the allocated amount for FY 2017 does not cover the costs of the program. Mason City and Cedar Falls are the only UEN districts impacted by this provision as they begin participation this fall.

- Additional detail regarding TLC proration:
  - HF 215 in the 2013 session set up the process for districts representing 1/3 of enrollment to begin participation in each of the next three years.
  - \$50 million was appropriated for each of the three years for grants
    - First districts applied to begin in 2014-15 at \$308.82 per pupil
    - Second round of district applied to begin 2015-16 at \$312.68
    - Last round of districts will begin 2016-17 at an estimated \$311.79 per pupil

- In a district's second and subsequent years, funds come from the TLC supplement per pupil in the formula, to which the SSA growth factor has been applied. For those districts in their second or third year of TLC, the FY 2017 A&L shows \$319.72 per pupil, since SSA percentage has been applied to the beginning \$308.82.
- The chart from LSA shows the differences in the grant amount per pupil, but shows a return to equity beginning in FY 2018, when all districts will be funded via the formula.
- Also worthy of note, there are nearly 3,000 more students with districts coming on board in the 2016-17 school year than last year. The \$50,000,000 appropriation had to cover a larger group.

		Per Pupil Cost School Aid Formula	Grant Amount - First year in Program	Difference
FY 2015	Year 1	N/A	\$ 308.82	N/A
FY 2016	Year 2	\$ 312.68	\$ 312.68	0
FY 2017	Year 3	\$ 319.72	\$ 311.79	\$ -7.93
FY 2018	Year 4	\$ 319.72	N/A	N/A
Note:				
FY 2018 per pupil amount in the School Aid Formula is based on 0%. The per pupil amount will increase if a percent of growth is enacted.				
In FY 2016 was the first year for School Aid Formula funding.				
In FY 2018 all districts will be funded through the school aid formula.				
After the first year of being funded by grants, the district receives funding through the school aid formula in the second year and beyond.				

**Screening and Monitoring Reading Assessments:** the bill requires the DE to provide reading assessments for PK-6<sup>th</sup> grade to allow teachers to screen and monitor student literacy skills. The bill allows the DE to charge school districts a fee if the \$2 million appropriation does not fully cover the costs of providing the assessment tools. The \$2 million has been sufficient in the past so that the DE has not charged a fee for the assessments.

**Preschool Funding Flexibility:** the bill permits the use of preschool foundation aid funding to be used to pay the costs of transporting children participating in the statewide voluntary preschool program. The bill allows districts to prorate the costs of transporting students along with other students. UEN asked for this provision to be included.



**Line Item Education Funding Appropriations:** More detail is found in LSA's Notes on Bills and Amendments (NOBA) <https://www.legis.iowa.gov/docs/publications/NOBA/793264.pdf> Specific items of interest to school leaders as appropriated in SF 2323 include:

	Estimated FY16	Gov. Rec FY17	SF 2323	SF 2323 – FY16
Teacher Shortage Loan Forgiveness	\$392,452	\$392,452	\$392,452	\$0
Teach Iowa Scholars	400,000	576,000	400,000	0
DE Administration	6,304,047	6,304,047	6,054,047	-250,000
Vocational Education Administration	598,197	598,197	598,197	0
Vocational Education Secondary	2,630,134	2,630,134	2,630,134	0
Food Service	2,176,797	2,176,797	2,176,797	0
ECI (Early Childhood Iowa) General Aid	5,386,113	5,386,113	5,386,113	0
ECI Preschool Tuition Assistance	5,428,877	5,428,877	5,428,877	0
ECI Family Support and Parent Ed	12,364,434	12,364,434	12,364,434	0
Special Ed. Services Birth to 3	1,721,400	1,721,400	1,721,400	0
Nonpublic Textbook Services	650,214	740,214	650,214	0
Student Achievement/Teacher Quality	57,391,351	57,391,351	57,391,351	0
Jobs For America's Grads	700,000	700,000	700,000	0
Attendance Center/Data Systems	250,000	250,000	250,000	0
Administrator Mentoring	1,000,000	1,000,000	1,000,000	0
English Language Learner Pilots	500,000	500,000	500,000	0
On-line State Job Posting System	250,000	250,000	250,000	0
Council and Task Force Support	25,000	25,000	0	-25,000
AEA Support System Teacher Leadership	1,000,000	1,000,000	1,000,000	0
Successful Progression for Early Readers	8,000,000	8,000,000	8,000,000	0
Early Literacy Warning System	2,000,000	2,000,000	2,000,000	0
Iowa Reading Research Center	1,000,000	1,000,000	1,000,000	0
High Needs Schools*	0	0	0	0
Fine Arts Mentoring	0	0	25,000	25,000
Midwestern Higher Education Compact	100,000	100,000	100,000	0
AEA Distribution	1,000,000	1,000,000	1,000,000	0
Community College General Aid	201,274,647	204,340,605	204,290,605	3,015,958
Community College Salary Increase	500,000	500,000	500,000	0
Early Head Start Projects	600,000	600,000	600,000	0
Competency-Based Education	425,000	425,000	425,000	0
Iowa Learning Online Initiative	1,500,000	0	0	-1,500,000
Regional Telecommunications Councils	992,913	992,913	992,913	0
Child Development (Standings)	12,606,196	12,606,196	12,606,196	0
UI - IA Online Advanced Placement Acad.	481,849	481,849	481,849	0
UNI - Math and Science Collaborative	5,200,000	5,200,000	5,200,000	0
	\$334,849,621	\$336,681,579	\$336,115,579	\$1,265,958

Please note, the zero appropriation for Iowa Learning Online was anticipated as the 2013 legislation planned on a three-year state appropriation followed by a fee-based system. The Iowa DE announced on June 7 the following information posted [here](#):

“Iowa Learning Online (ILO) has offered free, online courses since its launch in 2004. With the end of our scale-up appropriation, ILO will transition to a fee-based funding model.

The Department of Education will charge an enrollment fee of **\$250 per student, per semester course** in the fall semester of 2016. ILO’s fall semester begins Aug. 23 and ends Dec. 16.

Enrollment is open now. View the [fall 2016 course list](#). ILO is debuting its new Canvas course management system creating a more robust student learning experience.

If a student withdraws from a course within the first four-weeks, there will be no charge to the district/school. Billing will occur after the ILO withdrawal date each semester.

ILO continues to be a full-service online course provider, with Iowa-licensed teachers utilizing Core-aligned curriculum.”

A detailing of the student achievement teacher quality allocations follows with all allocations showing no change from FY 2016:

<b>Student Achievement Teacher Quality Allocations</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Teacher Leadership and Compensation (TLC) Grants			\$50,000,000	\$50,600,000	\$50,600,000
National Board Certification	\$ 500,000	\$ 846,250	846,250	846,250	846,250
Ambassador to Education (out of NBC funds above )	85,000	85,000	85,000	85,000	85,000
Mentoring and Induction	2,463,590	3,537,875	4,021,875	4,021,875	4,021,875
Career Development and Evaluator Training	600,000	786,816	786,816	786,816	786,816
Teacher Development Academies	1,136,410	1,136,410	1,136,410	1,136,410	1,136,410
<b>Total</b>	<b>\$ 4,785,000</b>	<b>\$ 6,307,351</b>	<b>\$56,791,351</b>	<b>\$57,391,351</b>	<b>\$57,391,351</b>

## Other Appropriations Bills Impacting Schools

**HF 2460 Health and Human Services Appropriations (Meningococcal Immunization):** the bill requires that a student shall not be enrolled in school in the 7th or 12th grade in Iowa without evidence of adequate immunization against meningococcal disease in accordance with standards approved by the United States public health service of the United States department of HHS for such biological products and is in accordance with immunization practices recommended by the advisory committee on immunization practices of the centers for disease control and prevention. The State Board of Public Health, in consultation with DE, is required to write administrative rules in order to implement this new requirement.

**HF 2459: Standing Appropriations:** this bill makes adjustments to appropriations that otherwise stand without legislative action, for a total reduction of \$26.5 million in FY 2017 General Fund appropriations. The bill also appropriates \$4.5 million from the Rebuild Iowa Infrastructure Fund (RIIF) for FY 2019. A complete explanation is found in the LSA final NOBA found here <https://www.legis.iowa.gov/docs/publications/NOBA/793339.pdf>

UEN was registered opposed to this bill because of the cut to AEAs and the inadequate school aid funding. Actions of interest to school leaders:

- **AEA funding cut:** Reduces the FY 2017 State school aid funding to area education agencies (AEAs) by \$18.8 million The LSA explains in the NOBA DETAIL: “In addition to the \$18,750,000 state aid reduction for FY 2017, the AEAs have an annual statutory reduction of \$7,500,000. The state aid reduction to the AEAs will total \$26,250,000 for FY 2017.” That is an increased reduction of \$3.8 million more than the \$15 million plus statutory reduction of \$7.5 million experienced in the 2015-16 school year.
- **Instructional Support:** Last year’s standings appropriations bill, SF 501, suspended the general fund standing appropriation of \$14.8 million for the **Instructional Support Program** for both FY 2016 and FY 2017 (means state share is zero) and this bill did not reinstitute the appropriation.
- **Timing of Appeals Action:** Changes the timing of when the State Appeal Board disposes of all appeals associated with local budgets from on or before April 30 of each year to within 45 days after the date of the appeal hearing.
- **Tax Expenditure Review:** Requires the Legislative Tax Expenditure Committee to review the General Fund standing appropriations related to property tax replacement in 2016. The list to be reviewed from the NOBA detail states:
  - Homestead Tax Credit: The FY 2017 appropriation is estimated at \$135,500,000.
  - Elderly and Disabled Property Tax Credit: The FY 2017 appropriation is estimated at \$26,100,000.
  - Agricultural Land Tax Credit: The FY 2017 standing limited appropriation is \$39,100,000.
  - Military Service Tax Credit: The FY 2017 appropriation is estimated at \$2,100,000.
  - Business Property Tax Credit: The FY 2017 standing limited appropriation is \$125,000,000.
  - Commercial and Industrial Property Tax Replacement: The FY 2017 appropriation is estimated at \$154,636,698.
- **Nonpublic School Alternative Accreditation:** Removes the repeal date of July 1, 2020 associated with a provision that allows a nonpublic school to be accredited by an independent accrediting agency that has been approved by the State Board of Education. Essentially, this makes the alternative accreditation process permanent (unless repealed by

the House, Senate and Governor at some future date.) *UEN earlier in the session opposed a bill which alone would have accomplished this action.*

- **Online Academies Open Enrollment:** Beginning July 1, 2018 (FY 2019), eliminates the limitation of 0.18% of the number of pupils statewide allowed to participate in open enrollment for purposes of receiving educational instruction and course content that are delivered primarily over the Internet (applies to open enrollment into the online academies at CAM-Anita and Clayton Ridge.) Although the bill originally put a sunset on the online academies in 2018, the Governor vetoed that provision. Read the Governor's veto message [here](#).
- **Solar Tax Credits:** Couples the Iowa Solar Energy System Tax Credit with the federal Internal Revenue Code (IRC) for tax years beyond tax year 2015. FISCAL IMPACT: Coupling the Iowa Solar Energy Tax System Credit with the federal IRC for tax years beyond 2015 will extend Iowa's credit through the 2021 federal expiration date. Without this coupling provision, the Iowa credit will not be available for tax years after 2015. Provides that the statutory changes to the Solar Tax Credit apply retroactively to January 1, 2015, for tax years beginning on or after that date. The fiscal impact of this change is estimated to reduce projected General Fund revenue as listed below:

FY 2018 = \$2.5 million  
 FY 2019 = \$3.5 million  
 FY 2020 = \$3.8 million  
 FY 2021 = \$4.0 million  
 FY 2022 = \$4.1 million  
 FY 2022 through FY 2032 in total = \$12.0 million

Solar tax credits may be of additional interest to schools in working with financing or solar installation with private sector partners, which may be able to lower the cost of the project by taking advantage of the tax credit.

## Policy Bills Impacting PK-12 Education

**HF 228 Young Coach Temporary Authorization and Training:** this bill requires the BOEE to issue a non-renewable, one-year transitional coaching authorization to a person who is at least 21, has a verified offer of a coaching job but who has not yet completed the required course work. The bill requires the coach to complete a shortened course of ethics and code of professional conduct training created by the BOEE for transitional coaches, completes the child and dependent adult abuse training, completes a nationally recognized concussion in youth sports training course, and complies with a background check requirements of the BOEE. The amendment also requires supervision for the transitional coach for the first two weeks of employment and two weeks of competition by a certified coach. The supervising practitioner is required to sign and date an evaluation form that certifies that the individual meets expectations to work with student athletes as a transitional coach. The organization that sponsors interscholastic athlete competitions shall develop and offer on their web site an evaluation form that meets these requirements. *Signed by Governor 4.6.16* UEN registered as undecided on this bill.

**HF 2261: Joint Investment Trusts:** Current law requires joint investment trusts organized under a 28E agreement to be registered with the federal Securities and Exchange Commission or be rated within the two highest classifications by at least one of the standard rating services approved by the superintendent of banking by rule adopted pursuant to Iowa Code chapter 17. This bill allows such trusts that are rated within the two highest classifications above to follow federal law and operate within the requirements of the governmental accounting standards board (GASB) for external investment pools. UEN supported this bill. *Signed by Governor 3.30.16*

**HF 2264 Open Enrollment Participation in Athletics:** this bill adds to the conditions under which a student who open enrolls in a neighboring district may immediately participate in varsity athletics to include if the student was subject to a founded bullying or harassment incident, confirmed by the resident district. *Signed by the Governor 4.6.16.* UEN is registered as undecided on this bill.

**HF 2268: Confidentiality of PERB Records:** this bill requires the evidence of public employee support for the certification or decertification of an employee organization as defined in Iowa Code section 20.3 (collective bargaining statute) that is submitted to the public employment relations board (PERB) to be considered confidential records. UEN is registered as undecided. *Signed by Governor 3.23.16*

**HF 2273: Secretary of State's Election Bill:** this bill makes many changes and clarifications of a technical and policy nature to Iowa elections law, including two items that specifically impact school elections; aligns the transitional school board elections following reorganization to four-year terms and specifies that a board member appointed to fill a vacancy stays on the board until the next SCHOOL election (either special or regular school board election.) The bill is effective July 1, 2016. Additional clarification from Iowa's Secretary of State may be forthcoming to advise districts in transition, with vacancies filled by appointment prior to the effective date of the bill. UEN supported the bill. *Signed by Governor 5.27.16*

**HF 2336: DE Technical Corrections Bill:** this bill includes technical clean up language to eliminate outdated provisions and make clarification as proposed by the DE. The major changes that will interest school leaders include requiring a board resolution to adopt budget guarantee by May 15 and requiring WGS agreements to negotiate distribution of mentoring and TLC unless all

districts are receiving TLC, repealed July 1, 2018. UEN was registered as undecided on the bill. Signed by Governor 3.30.16

The list of all actions follows:

- Eliminates several Iowa Code sections relating to an obsolete program known as the teacher exchange program.
- Eliminates the requirements that DE print and distribute books of school law changes and amendments to school law.
- Eliminates the requirement that DE provide a model written publications code, the DE annual Core Curriculum report of activities, findings and student progress toward implementing the Core, and the annual report of school request for waiver from state board requirements pursuant to an emergency.
- Eliminates old budget guarantee Code language about adding prior budget guarantee to the base and the phase out of the old budget guarantee prior to full implementation of the 101% budget guarantee currently in practice. Also requires a school board to adopt a resolution by May 15<sup>th</sup> of the base year for which the budget adjustment is sought and notify Department of Management of the resolution.
- Defines tuition regarding students attending school outside of the state of Iowa, including calculations to determine lowest tuition and transportation costs. Requires, notwithstanding those tuition costs, for a student receiving special education services to have their Individual Education Plan (IEP) determine expenditures.
- Specifies that both grant and formula funding for districts participating in TLC be negotiated pursuant to a whole grade sharing agreement if both districts are participating.
- Changes the whole grade sharing count date to the second Friday of January (rather than the third Friday in February.)
- Requires that TCL foundation aid for the previous fiscal year follow an open enrolled student to the receiving district.
- Requires open enrollment payments for students who are open enrolled out of the district but move to a new district during the year (currently quarterly payments) to follow the timeline in section 280.20, subsection 3. Requires the district of original residence at the beginning of the year to make tuition payments through the remainder of the school year.
- Eliminates the requirement that the DE report annually; on reading and math at 4<sup>th</sup> and 8<sup>th</sup> grade that districts are required to report to their communities, annual report on evaluator training, and the annual report on the changes and improvements in the evaluation of teachers under the Iowa teaching standards.
- Requires the DE, in developing administrative rules to be adopted by the State Board of Education, to consult with stakeholders who might be reasonably affected by the proposed rule.
- Adds the ability for the DE Director to have a director's designee to approve district requests to modify TLC plans and allows the district to appeal the DE director (or director's designee's) decision to the state Board of Education.
- Eliminates an old Code reference to pilot projects for instructional improvement.

**HF 2363: Closed Meetings:** this bill prohibits government bodies, including school boards, from excluding a member of the board from a closed session, unless the member's attendance at the closed session creates a conflict of interest for the member due to the specific reason announced as justification for holding the closed session. UEN is undecided on the bill. *Signed by Governor 4.6.16*

**HF 2364: Open Meetings/Public Notice:** this bill allows a notice of postponed meeting due to emergency circumstances to comply with open meetings notice requirements, stating that if a governmental body is prevented from convening an otherwise properly noticed meeting under the requirements of subsection 1, the governmental body may convene the meeting if the governmental body posts an amended notice of the meeting conforming with all of the requirements of subsection 1. The bill allows the posting of the amended notice under emergency circumstances to not have to meet the 24-hour posting requirement.

The requirements of subsection 1 include: Section 1. Section 21.4, subsections 1 and 2, Code 2016, are amended to read as follows:

1. a. Except as provided in subsection 3, a governmental body shall give notice of the time, date, and place of each meeting including a reconvened meeting of the governmental body, and the tentative agenda of the meeting, in a manner reasonably calculated to apprise the public of that information. Reasonable notice shall include advising the news media who have filed a request for notice with the governmental body and posting the notice on a bulletin board or other prominent place which is easily accessible to the public and clearly designated for that purpose at the principal office of the body holding the meeting, or if no such office exists, at the building in which the meeting is to be held.

b. Each meeting shall be held at a place reasonably accessible to the public and at a time reasonably convenient to the public, unless for good cause such a place or time is impossible or impracticable. Special access to the meeting may be granted to persons with disabilities.

UEN was registered as undecided on the bill. *Signed by Governor 3.23.16*

**HF 2392: Academic and Career Guidance (8<sup>th</sup> grade plans) and Career and Technical Education Programs** (regional planning groups, workplace learning programs, change in terminology regarding career areas.)

**Division I Career and Technical Education Plan:** this part of the bill changes all of the prior Code references from "core curriculum plan" to **career and academic plan**. The bill requires districts to cooperate with each enrolled 8<sup>th</sup> grader to develop a career and academic plan, which at a minimum, is developed to achieve the following:

- 1) Plan to complete the core curriculum by graduation
- 2) Identify the coursework needed in 9<sup>th</sup>-12<sup>th</sup> grade to support the student's postsecondary education and career options
- 3) Prepare the student to successfully complete, prior to graduation and following a timeline included in the plan, the essential components of a career information and decision-making system **that meets standards** adopted by state BOE.
- 4) Parent must sign the plan and the signed plan is to be kept with the student's records.

**Additional Requirements - Reporting, Team for Career Planning and System approval:** Districts must report annually to each student the student's progress toward achieving the goals of the student's career and academic plan. The superintendent must convene a team of

education practitioners to carry out these duties. Specifies that the team must minimally include a school counselor, teachers (including CTE teachers), and an individual responsible for coordinating work-based learning activities. The bill requires the team to regularly consult with representatives of employers, state and local workforce systems and centers, higher education institutions, and postsecondary career training programs. Districts must also include an annual report on student utilization of the district's career information and decision-making system for the school-year beginning July 1, 2016 and each succeeding year, in the CSIP.

Lastly, this Division requires the state BOE to adopt rules (allows emergency rule-making), to set standards for career information and decision-making systems. The rules shall establish an approval process for the approval of a vendor-provided system which school districts *MAY* use to comply with this section. The DE is required to monitor district compliance through accreditation. If a district is not in substantial compliance, they will be required to submit an action plan to get into compliance. DE is required to include in the Annual Condition of Education Report a review of district and student performance required under Division I.

### **Division II Career and Technical Education and Work-based Learning Programs:**

This division includes two major language changes, replacing “vocational or technical” with *career and technical* education and replacing “school-to-work program” with “work-based learning opportunity” throughout the Code.

The bill also adds family life and consumer sciences to the list of core curriculum and 21<sup>st</sup> century skills that all districts must teach (Iowa Code 256.7 subsection 26).

Section 28 of the bill revised the six CTE areas included in Iowa Code chapter 256.11, but it does not change the requirements that districts provide a minimum of three sequential units in at least four of the six areas. The six areas will now be designated as:

- Agriculture, food and natural resources
- Arts, communications and information systems
- Applied sciences, technology, engineering and manufacturing, including transportation, distribution, logistics, architecture, and construction
- Health sciences
- Human services, including law, public safety, corrections, security, government, public administration, and education and training.
- Business, finance, marketing and management.

The bill exempts nonpublic schools from being required to teach career and technical education as described above. If a nonpublic school offers a high school, they are required to offer and teach five units of career and technical education which may include but isn't limited to the above list.

Division II of the bill also makes big changes to the vocational education Code chapter 258. The bill creates regional planning partnerships, career academies and regional centers, giving the DE and the state BOE the authority to set standards. Since the bill requires the regional planning partnership to be formed by June 30, 2017, expect the standards and rules process to unfold in the near future.

Vocational education reimbursement funds in the past were used to reimburse school districts for no more than half of the salary and travel expenses for vocational teachers, if the district maintained an approved vocational school, department or class that met certain standards. This

bill redirects those funds to approved regional career and technical education planning partnerships, who will be working with school districts to implement and elevate the CTE program, for reimbursement of expenditures and allows proration of the funds if insufficient. Look forward to DE guidance regarding allowable expenditures of the funds by the regional partnerships. The regional planning partnerships are defined in the bill as a collaborative body consisting of districts, community colleges, business and industry, and other community stakeholders which assist in providing for the delivery of high-quality CTE opportunities for students.

DE will provide guidance to the field involving both Divisions, but Division I involving the 8<sup>th</sup> grade planning process was effective on enactment, so applies to the 2016-17 school year.

UEN was registered as undecided on the bill. *Signed by Governor 5.26.16*

*Additional information: DE's announcement regarding HF 2392:*

## **Sweeping legislation reforms career and technical education**

**Date:** Thursday, May 26, 2016

DES MOINES – Sweeping legislation signed into law today by Gov. Terry Branstad raises the quality of career and technical education (CTE) programs in the state and sets a new vision for students to graduate from high school ready for college or career training and jobs.

The legislation, [House File 2392](#), builds upon the recommendations released this past fall by the Secondary Career and Technical Education Task Force and marks the first major revision to CTE policy in Iowa since 1989.

Formerly known as vocational education, CTE consists of programs that integrate technical and academic skills with work-based learning experiences to better prepare students to succeed after high school, whether that be in the workforce or in postsecondary education. In Iowa, CTE programs prepare students for a wide range of careers, including agriculture, computer science, advanced manufacturing, engineering and culinary arts.

“The goal of CTE programs has changed dramatically over the past two decades,” said Iowa Department of Education Director Ryan Wise. “Technological change and globalization are changing the state’s economy and the jobs being created today require higher skills levels than in the past. This legislation sets the bar for CTE programs to ensure students gain the knowledge and skills to succeed in both college and careers.”

The legislation raises the quality of CTE programs in Iowa by:

- Aligning the needs of students, employers and the state’s economy.
- Engraining career guidance into a student’s educational experience so he or she can make informed decisions about future postsecondary and career plans.
- Introducing exploratory coursework earlier to better prepare students for transitory and ultimately higher-level, specialized academic and technical training.
- Expanding student access to coordinated work-based learning opportunities.
- Improving access to high-quality CTE programs for students across Iowa as regional partnerships create an expanded statewide system of regional centers.

This CTE reform initiative, which focuses on middle and high school students, is in line with the [Future Ready Iowa initiative](#) launched by Gov. Branstad and Lt. Gov. Reynolds last fall. The initiative focuses on ways to continue building Iowa’s talent pipeline and close the skills gap so that more Iowans have quality career opportunities and employers have the skilled workforce

they need. This legislation will help achieve the Future Ready Iowa goal that 70 percent of Iowans in the workforce have education and training beyond high school by 2025.

“Employers and industry experts will be more engaged in CTE program design, regional centers will provide increased access to high-quality programs for students, and expanded opportunities will be available for educators to obtain advanced training,” Wise said. “Ultimately, the objective is to ensure students graduate from Iowa high schools with the academic, technical and employability skills they need to succeed in postsecondary education and the workforce.”

**HF 2413: Reading Proficiency/Early Literacy:** this bill addresses reading proficiency assessments and terminology in notifying parents regarding student at risk of not reading proficiently and clarifies that retention and intervention determinations are based on multiple measures, not just one screener or one test.

The early literacy law was included in education reform round 1, SF 2284, enacted in 2012. The law requires services for students who may be or is determined to be deficient in reading. This bill changes that language, instead to state that a student may not be or is determined not to be reading proficiently and is persistently at-risk in reading.

The new language does not significantly change requirements of school districts regarding provision of assessments or interventions for students; if a student is not reading proficiently and is persistently at risk in reading, based upon the assessments administered in accordance with the early literacy requirements, the school district is still required to provide intensive reading instruction to the student. The Code already required school districts to reassess by locally determined or statewide assessments, but the bill adds that the reassessments include periodic universal screening and annual standard-based assessments. The bill further defines that the district provide intensive reading instruction until the student is reading at grade level as determined by the student’s consistently proficient performance on valid and reliable measures of reading ability. The bill defines “persistently at risk” as the student has not met the grade-level benchmark on two consecutive screening assessments administered under these requirements.

The bill requires that parents be notified in writing if the student is persistently at risk in reading, but eliminates the requirement that the notice state that the child has been identified as having a substantial deficiency in reading. Parents are to be given regular updates of the student’s progress toward reaching or exceeding the targeted level of reading proficiency. UEN supported this bill.  
*Signed by Governor 5.27.16*

**HF 2433: Federal Tax Coupling,** rescinding from administrative rules and modifying business sales tax exemptions for items used in manufacturing and other activities. The bill has essentially three functions:

- The bill generally conforms Iowa’s tax laws with changes to the federal tax laws made since Jan. 1, 2015. This temporary action only applies to tax year 2015 and is retroactive. The bill doesn’t not couple with the federal tax provision knowns as “bonus depreciation.”
- The bill rescinds administrative rules (see the UEN web site to access member testimony opposing the administrative rule here [Testimony to Department of Revenue, Public Hearing, Dec. 1, 2015](#)) The Department of Revenue put forth rules in 2015 that would have exempted sales/use tax collection on manufacturing inputs (generally supplies and replacement parts) and tangible personal property that becomes part of real property (land and buildings).



- The bill provides a sales and use tax exemption for the purchase of items used in certain manufacturing, research and development, data processing or storage or recycling activities. The exemption generally relates to manufacturing supplies and replacement parts. The exemption is effective for purchases made on or after July 1, 2016.

The LSA's Fiscal Note describes the fiscal impact of each provision, with Table 4 to the right illustrating the combined state general fund impact:

**Table 4**  
**Combined State General Fund Impact**  
**In Millions**

	IRC Coupling	Administrative Rules Rescinded	Manufacturing Consumables Sales Tax Exemption	Total General Fund Impact
FY 2016	\$ -97.6	\$ 0.0	\$ 0.0	\$ -97.6
FY 2017	10.1	34.8	-21.3	23.6
FY 2018	16.2	35.9	-22.4	29.7
FY 2019	11.7	37.1	-23.5	25.3
FY 2020	9.5	38.3	-24.5	23.3
FY 2021	8.2	39.6	-25.4	22.4
FY 2022	6.7	40.9	-26.2	21.4
FY 2023	1.2	42.2	-27.1	16.3

UEN opposed the bill. See the [March 14, 2016 Fiscal Note](#) for additional detail. *Signed by Governor 3.21.16*

**SF 174: Per Pupil Costs:** Sets state percent of growth for regular program cost per pupil at 2.25% for FY 2017. UEN was registered in support of the original SF 174 which set a 4% increase. When it was amended to a lower amount, UEN registered as opposed. *Signed by Governor 4.6.16. See pages 12-14 of this Digest for additional detail.*

**SF 175: Categorical per Pupil Costs:** Sets state percent of growth for categorical program cost per pupil at 2.25% for FY 2017. UEN was registered in support of the original SF 174 which set a 4% increase. When it was amended to a lower amount, UEN registered as opposed. *Signed by Governor 4.6.16. See pages 12-14 of this Digest for additional detail.*

**SF 2196: Teacher Prep Program Reading/Literacy Requirements:** this bill eliminates the requirement that teacher prep programs specifically instruct future teachers in reading recovery and instead requires teacher preparation programs to include content on teaching reading theory, knowledge, strategies and approaches and for integration of literacy instruction into content areas. The bill explicitly requires the preparation include the ability to teach literacy to all students, including those with disabilities, dyslexia, non-English speaking students and students requiring special education services. UEN supported the bill. *Signed by Governor 4.7.16*

Section 1. Section 256.16, subsection 1, paragraph b, Code 2016, is amended to read as follows:

b. ~~Include preparation in reading programs, including reading recovery theory, knowledge, strategies, and approaches; and integrate reading strategies for integrating literacy instruction into content area methods coursework areas. Such preparation shall address all students, including but not limited to students with disabilities; students who are at risk of academic failure; students who have been identified as gifted and talented or limited English proficient; and students with dyslexia, whether or not such students have been identified as children requiring special education under chapter 256B.~~

**SF 2200: Iowa Learning Online Flexibility:** this bill allows districts to offer one online course to students to meet offer and teach requirements if the district has made a good faith effort but has not been able to hire a teacher. Additionally, the course must align with school district or school standards, the course is not available via ILO or the ILO course is full. The bill further requires the course be taught through an online learning platform, by an Iowa licensed teacher with online teaching experience. The district may only offer one course per semester in place of an ILO course. UEN supported this bill. *Signed by Governor 3.23.16*

**SF 2299: Early Childhood Iowa Requirements:** this bill makes changes to the Early Childhood Iowa state and local board requirements. The bill changes the term “home visits” to family support throughout the Code. The bill later defines family support to include home visits and parent education. The bill requires the state ECI board to consider a community’s current coverage of family support programs and services when determining whether to grant a waiver from regulations applicable to the School Ready Grant program. Although the Code still requires designation/evaluation of local boards, the bill eliminates the requirement that the designation include levels of excellence in a tiered-rating system. The bill eliminates the requirement that membership of an area board include representation from early care. The bill simplifies the comprehensive community plan requirements and requires that, if a local board is not making progress toward performance measures and community-wide indicators are not improving, the state board shall provide technical assistance in addition to requiring a plan of corrective action, withholding a funding increase or withdrawing grant funding. *Signed by Governor 5.27.16.*

**SF 2301: Iowa Educational Savings Plan Trust:** this bill adds tax-exempt, nonprofit organizations designated as 501(c)(3), to the definition of participants for the Iowa Educational Savings Trust (also known as the Iowa College Savings 529 Plan.) This allows such organizations to open and fund accounts for individual beneficiaries. The fiscal note estimates no more than \$1.6 million in tax year donations in 2018 and beyond, resulting in a state general fund revenue reduction of \$77,000 annually. *Signed by Governor 5.25.16.* For additional information, fiscal note is linked [here.](#)

**SF 2304: Oversight of Children’s Residential Facilities:** this bill sets up a process for state government to certify and monitor boarding schools. The bill creates a new code section under the Department of Human Services to provide for the development, establishment and enforcement of standards relating to the certification of children’s residential facilities.

The DHS is required to consult with DE, DPH, Department of Inspections and Appeals, the State Fire Marshall and other agencies as necessary to development standards. Standards established by DHS are required to, at a minimum, address the basic health and educational needs of children; protection of children from mistreatment, abuse, and neglect; background and records checks of persons providing care to children in facilities certified under this chapter; the use of seclusion, restraint, or other restrictive interventions; health; safety; emergency; and the physical premises on which care is provided by a children’s residential facility. Background checks are required to be substantially equivalent to those required for a child foster care facility provider. The bill exempts religious education curricula at children’s residential facilities.

The bill requires the State Board of Education to adopt rules governing educational programs and education services provided by children’s residential facilities. The bill requires that a person shall not operate a children’s residential facility in the future without a certificate of approval, requires



reports from the facilities, and allows for inspections of the facilities. The bill is in response to occurrences at the Midwest Academy in southeast Iowa. UEN monitored this bill. *Signed by Governor 5.27.16.*

**SJR 2006: Rules Nullification Special Ed Endorsement:** this joint Resolution nullifies an administrative rule by the BOEE which had planned to established a special education endorsement and create specializations. UEN was registered as undecided on the resolution.

**SJR 2007: Rules Nullification BOEE Licensure Fees:** this joint resolution nullifies an administrative rule by the BOEE that would have increased fees assessed by the BOEE for teacher licensure. UEN was registered as undecided on the resolution.

## Near Misses and Pending Issues:

### Bills Receiving Some Action But Not to the Governor

**Per Pupil Equity in the School Foundation Formula Proposals:** This issue received much media coverage as several groups elevated their advocacy regarding student equality.

**SF 2104 Student Inequality in the Formula**, addresses the difference in the district cost vs. state cost per pupil and also sets a supplementary weighting plan for some school district transportation costs. This bill would have added, above and beyond the SSA increase, \$5 per pupil beginning July 1, 2017, \$10 per pupil beginning July 1, 2018, and \$20 more per pupil annually beginning July 1, 2019 and subsequent years until the \$175 difference in the district and state cost per pupil is equalized. The bill did not receive consideration and remained in the Senate Education Committee. UEN supported the bill. (Sponsored by Senators Sinclair, Schultz, Segebart, Costello, Johnson, Behn, Kraayenbrink, Shipley, Dix, Guth, Kapucian, Breitbach, Rozenboom, Smith, Zumbach, Garrett, Anderson, and Chelgren.)

**HF 2071** and **HF 2072** were two bills introduced by Democrats in the House, which had solutions to the equality difference, assigned to the House Education Committee, but did not receive further action.

**HF 2182 District Cost per Pupil Equity Budget Adjustment**, was sponsored by 37 House members, including a few Republicans, and received the most conversation. This bill offered a short term budget adjustment, allowing districts with sufficient cash reserve to fund the difference in the state and district cost per pupil, for three years (July 1, 2017 through July 1, 2019). The bill required the school board to include information about the use of cash for the budget adjustment in their general fund budget information. The bill was brought to the Legislature by the Iowa Youth Leadership Council. The bill remained in the House Education Committee.

**SSB 1254 Per Pupil Cost Adjustments** (2015 Action): this bill establishes a district per-pupil equity cost adjustment by allowing districts with a regular program cost that is less than the highest cost of all school districts to make an adjustment of the difference between their district cost per pupil and the state's highest DCPP. The district is allowed to use cash reserve to fund the spending authority, however, the cash reserve levy may not exceed the prior year's levy after subtracting any amount for SBRC granting modified supplemental state aid. This bill was assigned to the Senate Education Committee too late to obtain approval prior to the March 6 funnel deadline in 2015. A companion bill, **HSB 240**, was introduced in the House Ways and Means Committee. It was approved unanimously by subcommittee members, but did not move forward in the Committee. UEN supported these bills.

**State Penny Extension tied to other inequities:** See below for additional information regarding HF 2260, by the House Education Committee. The Education Committee included the ability for local boards to direct some of the State Penny revenue to inequities including the per pupil inequity in the formula and transportation expenditures above the state average. UEN shared concerns that this policy would only shift inequity back to the infrastructure side of expenditures, which the state penny originally intended to correct. However, UEN did support the intent of this bill to provide at least a short term relief from transportation and district cost per pupil disparities to provide time for the state to phase in a complete solution while providing for extension of the state penny.

**Per Pupil Funding for FY 2016-17.** This action is required to be enacted in the year prior to the budget year, within 30 days of the release of the Governor's budget. The Legislature and Governor have not complied with this law, although that practice has only been recent. The Governor's budget was released on January 14, so the legal deadline to set the 2018 state cost per pupil was Feb 13, 2016. For the 2015 Session, the Governor's budget was released on January 15, so the legal deadline to set the 2017 state cost per pupil was February 14, 2015. The deadline to set the FY 2016 state cost per pupil was 30 days following the Jan. 16, 2014 release of the Governor's budget, so February 15, 2014. The Senate approved a bill setting the state cost per pupil increase for FY 2018 [SF 2093](#), which set a 4% increase for regular program and [SF 2092](#) which set a 4% increase in the categorical per pupil amounts. Those bills were approved on Feb. 9, 2016. House Democrats sponsored [HF 2196](#) and [HF 2197](#) at 4% increases for categoricals and regular program respectively. None of these bills received action in the House Education Committee.

Iowa Code Section 257.8, subsection 1, addresses the state percent of growth. Subsection 2 states the same requirement regarding categorical supplements. The subsection text is highlighted here with bills addressing school funding detailed below:

**257.8 State percent of growth — supplemental state aid.**

1. State percent of growth. The state percent of growth for the budget year beginning July 1, 2012, is two percent. The state percent of growth for the budget year beginning July 1, 2013, is two percent. The state percent of growth for the budget year beginning July 1, 2014, is four percent. **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.** The establishment of the state percent of growth for a budget year shall be the only subject matter of the bill which enacts the state percent of growth for a budget year.

**[SF 477 Sales Tax Sunset Extension:](#)** this bill extends the sunset of the state penny until Dec. 31, 2049. It was approved 9:4 in Senate Education Committee, with bipartisan sponsorship and support. The bill was approved in the Senate in 2015 on a strong 37:13 bipartisan vote. UEN strongly supported this bill as a priority. RSAI advocates are encouraged to thank those Senators voting in favor as recorded in the March 25, 2015, [Senate Journal](#) and continue conversations with them in preparation for the 2017 Session. The House assigned the bill directly to Ways and Means Committee rather than House Education, where it received no further action.

**Key issues for schools in extending the penny:**

New process for 60% voter approval, based on above average property tax rates is overly restrictive. Voter approval of the revenue purpose statement, in current law, has worked to reduce property taxes otherwise needed for school construction while solving inequities in infrastructure funding (see the UEN position statement on state penny extension for additional data.) This differential process turns the clock back on equity gains. Additional flexibility for districts to pay for excessive transportation or cost per pupil inequities may be of benefit if determined locally, but allow for true flexibility; we asked legislators to avoid overly restrictive fund use or processes which made it difficult for accessing this flexibility.

**House action on SAVE Fund;** three bills that extend the state penny, along with other policies, were introduced in the House Ways and Means Committee.

- [HF 2260](#), by House Education, extended the penny through 2049, but also allowed districts to locally decide to use SAVE funds for other inequities, such as transportation or the district and state cost per pupil difference.
- The Governor's use of SAVE for both school infrastructure and water quality, while extending the sales tax to 2049, is [HF 2382](#).
- [HSB 548](#), by Sands, would have also extended the sunset until 2049, but also created an additional property tax reduction fund, with voter approval required for any project or expenditure over \$1 million, and 60% supermajority approval.

A joint subcommittee was convened to consider all of the options. Rep. Windschitl, chair of the subcommittee, first stated that they were working with the Governor to find another source of funding for water quality without diverting funds from school infrastructure/SAVE.

Some concepts regarding extension of the state penny were presented as starting points for policy discussion, detailed below with RSAI reaction to each:

Concept	UEN Reaction
Extend Penny to 2049	Support
Increase Property Tax Equity and Relief Fund from 2.1% to 7% of the total SAVE revenues to lower the highest additional levies in the state (increases from \$9.5 to \$31.6 million)	This is a better way to provide property tax relief than to create a separate property tax relief fund as originally proposed in HSB 548. Expressed concern that property tax relief has gone far enough.
Determine statewide average total levy (\$13.76 for FY 2016) which includes: Foundation levy, additional levy, debt levy, board and voter-approved PPEL, management levy, ISL and cash reserve levy. If district levy is above the average, triggers voter approval.	The formula levies are automatic, reflective of the property value in the district supporting each student. Districts with low property value have little control over this part of the total rate (foundation, additional and ISL levies). If such a benchmark is to be used, it should be focused on the infrastructure levies. UEN would prefer no such benchmark.
If above-average tax rate, a 60% super majority is required for all bonded infrastructure projects. If below, don't need a vote. Does not apply to "pay as you go".	Yikes: 60% is a nonstarter. The supermajority was created years ago so the populous couldn't impose a tax on property owners, since there were fewer property owners. With a sales tax, everyone pays. The 50% vote on a revenue purpose statement is sufficient. Setting a minimum of \$1.0 million triggering a vote is a killer for urban centers. OK with the pay as you go as needing no vote.
Exception: All projects for stadiums, athletic facilities, require vote.	Would be more comfortable with this requirement at the 50% simple majority standard.
All projects, regardless of levy rate, require a public hearing and are subject to a reverse referendum.	Would prefer this process used as extension of the revenue purpose statement, too. If additional voter input is seen as a priority, the reverse referendum is the least onerous way to accomplish that.
Excessive transportation or formula equity flexibility for the school board to direct SAVE funds for these purposes.	UEN testified that these are critical needs for school districts. Including this flexibility would be beneficial in the short term, but the state would still need to solve these inequities in the long term or the disparity will just shift back to infrastructure and technology.

## Other issues of importance to UEN members:

**[SF 2296](#) PK Expansion Incentives in 2015 and [SSB 3140](#) in 2016:** this bill creates an expansion incentive to increase enrollment in the Statewide Voluntary Preschool Program (SWVPP) for four-year-olds. Districts that have an increase in Program enrollment above the base incentive enrollment (defined as the average actual enrollments for fall 2013, fall 2014, and fall 2015) will receive incentive state aid equal to the increase in enrollment times 10.0% of the state cost per pupil for FY 2018, FY 2019, and FY 2020. The bill also allows districts to keep 10% of the PK cost per pupil for administrative costs and send 90% to community partners (outreach and rent of facilities not owned by the district are already allowable expenses of administrative funds.) UEN is registered in favor of this bill. SF 2296 was approved the Senate in 2015, but no action was taken in the House. SSB 3140 was sent back to the Senate Education Committee and did not receive full Committee approval.

**[HF 2284](#) Voucher Pilot Project:** this bill creates an appropriation for school savings accounts for nonpublic school students in Waterloo (120 low income students) and Sioux Center (70 low income students), provides just over \$5,800 per pupil and allows any funds remaining at graduation to be used for college. UEN opposed this bill. The bill is approved in a subcommittee, with Reps. Rogers and Deyoe in favor and Rep. Mascher, opposed. The bill remained in the House Appropriations Committee with no further action. (Similar bills addressing the same subject include [SF 240](#), [SF 252](#) and [HF 313](#).)

**[SF 245](#) LEP Supplementary Weighting:** this bill increases the weighting for students in English-language learner programs from .22 to .30 and increases the length of state contribution from 5 to 7 years. The bill was approved by the Senate Education Committee, but was not considered by the Senate Appropriations Committee where it still resides. UEN supported this bill. *Please note: ESL (English and a Second Language), LEP (Limited English Proficient) and ELL (English-language Learner) are all terms used in this policy area.*

**[SF 471](#) Low-Income Program Supplement:** this bill was introduced in 2015 and establishes a low-income supplementary weighting of .04 (or 4%) multiplied by the number of students eligible for free and reduced price lunch in the district. The weighting would equate to roughly \$254 per low income student based on 2014-15 state cost per pupil. The bill specifies use of funds, for additional programming, before and after school programs, summer school, tutoring and mentoring, individualized instructional assistance, programs to reduce or waive student fees, or other program or assistance. The bill was approved by the Senate Education Committee, but was not considered by the Senate Appropriations Committee where it still resides. UEN supported the bill.

**[SF 476](#) LEP Weighting for Preschoolers:** this bill was introduced and approved by the Senate in 2015. It establishes a supplementary weighting equal to one half of the English-Language Learner program weighting for Statewide Voluntary Preschool Program Students. The bill was assigned to the House Education Committee, where it still resides. Sen. Petersen again introduced the idea in [SF 2011](#) in the 2016 Session. The bill did not received further consideration in the Senate Education Committee. [HF 2062](#), by Rep. Anderson and Oldson, had a similar fate in the House where it resides in the House Education Committee. UEN supported these bills.

**[SF 2297](#) Children's Mental Health and Well-Being:** this bill created planning grants for the DHS, in collaboration with DE and DPH, to establish an RFP process for delivering crisis mental health services to children. The grants are required to be based on the recommendations of the children's mental health and well-being workgroup final report submitted to the DHS on December 15, 2015. The bill was approved by the Senate and assigned to the House Human Resources Committee where it received no further action. UEN supported this bill. For more information

about the workgroup and their recommendations, visit the DHS web site here:

<https://dhs.iowa.gov/mhds-advisory-groups/childrens-mental-health-well-being-workgroup>

**SF 430 Mental Health Pilot Project via AEAs:** this bill was introduced by Sen. Hogg in 2015 and creates a pilot project, providing funds to all AEAs to work with mental health community providers to meet the mental health needs of students. The bill was approved by the Senate Education Committee, but was referred to the Senate Appropriations Committee where it still resides. UEN supported this bill.

**HF 584 School Radon Testing** by House Local Government: this bill requires that school boards provide for short term testing and retesting for radon gas to be performed at each attendance center and following new construction, additions, renovations, or repairs to an attendance center. The bill allows the use of state penny revenues to pay for the testing without having to revisit the revenue purpose statement. The bill was referred to the House Education Committee, with a subcommittee assignment, but no further action by the Committee. UEN registered as undecided.

**Transportation Equity Proposals:** Six proposals were introduced in the House Education Committee in the 2015 Session, most approved unanimously by subcommittee, none receiving full committee approval, so all technically dead due to the first funnel deadline. Various fiscal impacts ranged from a potential property tax impact of \$26 million, to state appropriations impacts varying between \$15 and \$28 million. Here's the list of bills introduced in 2015 that remained alive for consideration in 2016, the second year of the biennium:

**HF 84** Transportation Equity Levy, property tax or income surtax, local voter approval for 10 years (approved by subcommittee, Reps. Gassman, Hansen and Mommsen)

**HF 250** Transportation State Aid, reimbursement for costs above the state average per pupil enrolled transportation cost, paid by the state, (approved by subcommittee, Reps. Gassman, Hansen and Mommsen)

**HF 320** Transportation Supplementary Weighting, provided through the foundation formula (approved by subcommittee, Reps. Gassman, Hansen and Stanerson)

**HF 359** Transportation Levy: voters may approve levy for any transportation costs minus reimbursement for transporting nonpublic students (did not get a subcommittee hearing)

**HF 431** Transportation Supplemental Weighting, graduated based on incremental expenditures above the state average transportation cost per pupil (approved by subcommittee, Reps. Gassman, Hansen and Mommsen)

**HF 432** Transportation Aid per Pupil, allocates \$15 million to districts with costs above the state average transportation cost per pupil (approved by subcommittee, Reps. Gassman, Hansen and Mommsen)

Additionally, more bills were introduced in the 2016 Legislative Session to address transportation inequities:

**SF 2104** Student Inequity, addresses the inequity in the district cost vs. state cost per pupil and also set a supplementary weighting plan for some school district transportation costs. (Sponsored by Senators Sinclair, Schultz, Segebart, Costello, Johnson, Behn, Kraayenbrink, Shipley, Dix, Guth, Kapucian, Breitbach, Rozenboom, Smith, Zumbach, Garrett, Anderson, and Chelgren.

[HF 2081](#) Transportation Assistance Aid, provides a payment equal to the difference in the state average transportation cost and the district's transportation cost above that amount (Sponsored by Rep. Best)

[HF 2293](#) Transportation Equity Program, creates a fund to pay for the differential in the state average transportation cost and the district's transportation cost above that amount and requires the payments be miscellaneous income. (Sponsored by Rep. Hanson)

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### **UEN Issue Briefs**

The following Issue Briefs, posted on the UEN website, supported advocacy work during the 2016 Legislative Session. Use these resources as conversation starters with legislative candidates or to discuss with parent or other stakeholder groups.

If the priorities remain a focus of UEN for the 2017 Session, new issue briefs will be provided. These and other resources, including this Digest, are found on the UEN web site [www.uen-ia.org/legislation.htm](http://www.uen-ia.org/legislation.htm)

[Funding Adequacy State Percent of Growth 2016](#)

[School Funding and Timing 2016](#)

[Student Equity: State and District Cost per Pupil 2016](#)

[Extension of the State Penny 2016](#)

[Student Mental Health Services 2016](#)

[Poverty / At-Risk / School Funding 2016](#)

[English-Language Learner Supports 2016](#)

[Quality Preschool for All Students 2016](#)

[Aligned Assessments for Student Progress 2016](#)

*UEN Issue Brief*

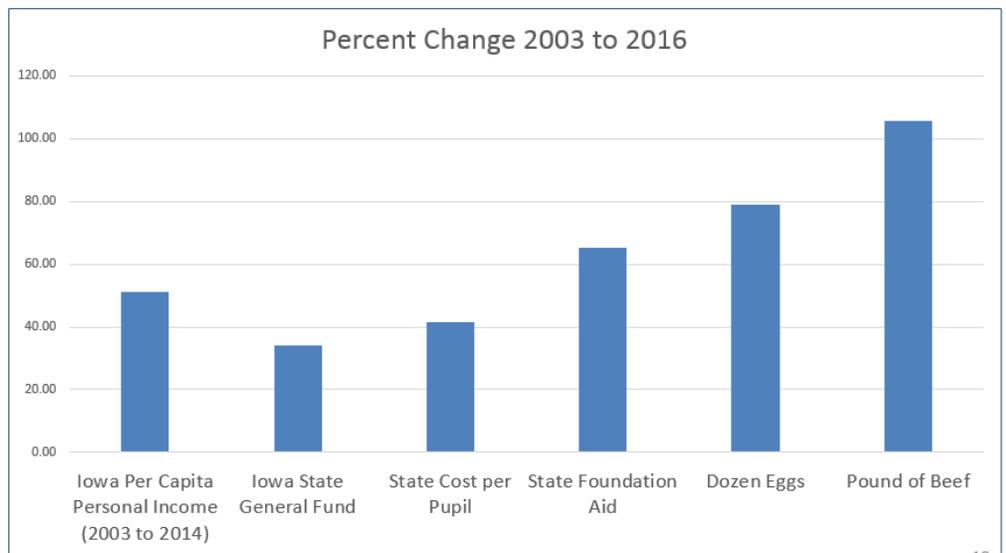
## Funding Adequacy State Percent of Growth

UEN supports the provision of adequate funding in order to fulfill the goal of regaining Iowa’s first in the nation education status to deliver world-class results for students. School funding requires balanced sources of revenue for sustainability. Iowa’s investment in public education ought to more closely mirror the economic growth our state has been experiencing and make up for lost ground over the previous six years of record low increases. The UEN encourages the Governor and Legislature consider a commitment to the following principles in setting the state cost per pupil:

- **Timing:** come to agreement on the state cost per pupil in the proper time required by law.
- **Equity:** create equity for ALL children by addressing district cost per pupil equity, property tax equity and transportation equity.
- **Adequacy:** fund districts for actual costs, noting that the focus on restricted categorized funding inhibits schools’ flexibility to make wise decisions to meet the needs of all students.

Observations regarding “School Funding: Up or Down since FY 2003?”

- State aid grew more than SCPP (property tax relief, categoricals rolled into the formula, PK, TIF growth, TLC phase in)
- State GF grew less: created several off budget funds which inflates comparisons of how much State General Fund percentage is spent on schools
- Iowa’s family income growth shows SCPP not keeping pace



**Impact:** Schools have been working very hard to garner slight growth in NAEP scores despite significant growth in poverty and ELL students. Iowa ranks 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 and early literacy and STEM initiatives. *These efforts will not be sustained if the basic foundation of school funding is continually diminished.* Iowa schools are experiencing many teacher shortage content areas in which there are not enough applicants to fill jobs, generally indicating that the profession of teaching is being outpaced in the marketplace. Class sizes are going up. Programs are being eliminated. Fewer extracurricular and fine arts opportunities are available for students, especially in middle school, meaning a future of less opportunity and engagement for students. The impact will transcend workforce to lowering our future quality of life.



## *UEN Issue Brief*

### **School Funding and Timing**

- The state cost per pupil is the bread and butter of public school budgets. The 2016 legislature and governor should set the **FY 2017 and F& 2018** rates in the first 30 days of the legislative session so school districts can craft their budgets and staffing needs with sufficient time to plan.
- The Iowa Code section 257.8 subsections 1 and 2 require the school funding decision to be set within the first 30 days of the session (due by February 13) as a time-honored action that establishes public education as a bi-partisan priority.
- Every weighting designed to meet the needs of specialized student populations depends on an adequate cost per pupil to keep pace with increasing costs.
- Shortfalls in special education weightings (over \$70 million in FY 2014) and English-language learner weightings are reimbursed to the district general fund from local property taxes (or cash reserve that may be replaced by local property taxes.)
- Budgeting and bargaining timelines commence in winter, with budget certification requiring a published budget in late March to allow sufficient time to meet publication requirements in weekly papers 10-20 days prior to board action. History has proven our skepticism that a funding decision will be made in the first 30 days of the session if the decision isn't made a year in advance.
- Lack of knowing the rate set prior to budget development significantly increases the complexity and time required to plan and creates stress and anxiety for school leaders and staff. Significant energy better spent on school improvement and education reform is stymied by an undefined budget.
- Iowa schools have experienced record low increases in total funding in recent years, compared to the rates set by formula using economic indicators prior to 1993. Iowa ranks 35<sup>th</sup> in the nation in total expenditures per pupil, despite our otherwise better than the pack ratings regarding the economy.
- A timely decision on school funding by the Legislature and Governor preserves local flexibility for districts to then determine their budgets.

**The UEN supports adequate, timely, predictable and stable school fund set during the 2016 Legislative Session for the 2017-18 school year.**

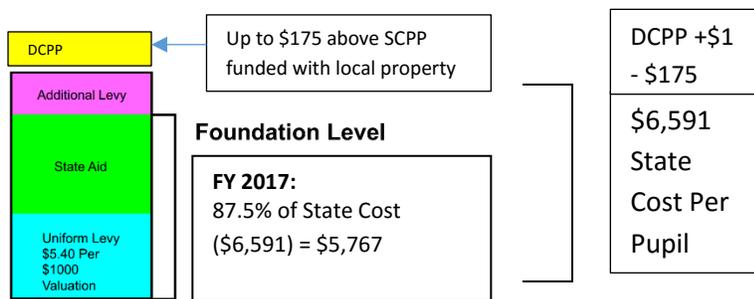
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*UEN Issue Brief*

## State and District Cost Per Pupil: Equality in the Formula

**History:** when the Iowa school foundation formula was created, school districts had previously funded schools almost entirely with local property taxes. The level of support varied due to many factors, including community support for the priority of education and local property tax capacity. The formula defined a State Cost per Pupil (SCPP) and brought all districts spending less than that amount up to the cost, paid for with a combination of local property tax and state foundation aid. Only those districts previously spending more than the newly defined SCPP were allowed to continue to spend more, paid for with local property tax. 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, the State Cost per Pupil (SCPP) is \$6,591. 164 districts (48.8%) are limited to this amount as their District Cost per Pupil (DCPP). The other 172 districts (51.2%) have a DCPP ranging from \$6,591 to \$6,766, or \$1 to \$175 more. This extra amount is funded with property taxes. Under current law, this \$175 difference continues into the future, accessible to some district but not others.

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 and every dollar matters, additional attention is focused on any inequity. 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 DCPP is Greater than SCPP
164	\$0
64	\$1 to \$35
48	\$36 to \$70
25	\$71 to \$105
19	\$106 to \$140
15	\$141 to \$175
Total = 336	

**Inequality 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. 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?" Another critical question for policy makers, is should the state allow some districts to exceed the SCPP without granting the same permission to others?

The following graphic explains the make-up of the funding for the state and district cost per pupil:

Source of Funding for DCPD	Notes	Cumulative Amount
DCPD above SCDP property tax	\$1 - \$175	\$6,592 - \$6,766
Additional Levy property tax (rate as necessary to generate last 12.5%)	\$824 which is 12.5% of SCDP	\$6,591
State foundation aid	87.5% of SCDP	\$5,767
Uniform Levy \$5.40 per \$1,000 property tax	Varies based on property value per pupil	

**Solutions:** Short of state appropriation of an estimated \$84.5 million, 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 don't have it, there are other possible solutions that would promote equity without lowering the per pupil amount available for any school district:

- Give all local districts spending authority for the difference and allow school boards to decide locally whether to fund it.
- 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. Since many districts have sufficient cash, it's likely there will be little cash reserve levy impact for several years in many districts.
- Allow local district authority to use cash reserve 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 the state contribution over time through the formula. For example, if the increase in the state cost per pupil is 3.75%, which would be \$247 per student, appropriate an additional portion of funds, such as an amount sufficient to generate \$40 per pupil for those districts at the lower SCDP. Over a period of several years, the gap would be closed.
- A combination of two of the above would also be possible – authority in the meantime, close the gap over the long haul.
- State funds for \$73.6 million, apportioned over the state with property tax picking up the rest (\$11.0 million)

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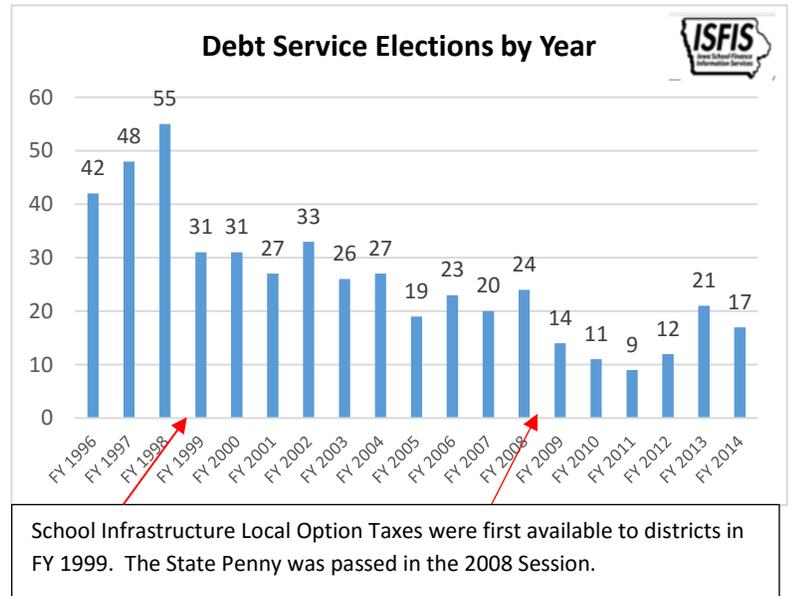
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*UEN Issue Brief*

## Extend the State Penny for School Infrastructure

When the State Penny for School Infrastructure was created in 2008, the legislation put in place a December 31, 2029 sunset. That was a legitimate 20-year timeframe that matched the typical bonding period for property-tax backed construction projects.

- Six years later, schools are starting to feel the pinch of a shortened bonding period:
  - With only 13 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 that some districts will utilize PPEL/Debt Service property taxes bearing no relationship to enrollment or need. Iowa will get right back into the infrastructure mess we were in with inadequate facilities and unequal student resources.
  
- State penny has helped schools address 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 due to extreme temps and returned saved energy dollars to the program
  - Equalized infrastructure funding per student
  - Purchased items otherwise requiring PPEL levy increases or new Bond Issues
  - Reduced property taxes
  - Provided additional property tax relief through dedication of use tax to equity.



History of the number of bond issues approved by voters annually proves the point: fewer bond issues have been passed every year since the start of the state penny. That track record will continue if the penny can be bonded against for the full 20 years. Absent that action, as the time frame shortens, the number of bond issues backed by property taxes will escalate.

**The UEN supports repeal of the sunset.** A full 20 years of bonding capacity will continue to save property taxpayers while schools continue to meet ongoing infrastructure and technology needs.

*UEN Issue Brief 2016*  
**Student Mental Health Services**

**Current Reality:** Staff members from UEN districts and a few AEA representatives gathered in Ankeny for the UEN Mental Health Symposium on Oct. 16, 2014, to hear presentations from three exemplary districts and to discuss observations about student need, barriers to meeting that need, and sharing best practice. Overwhelmingly, the group concluded:

- Mental Health needs of students and their families have increased.
- 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 the 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.

UEN acknowledges that mental health needs are increasing, yet the delivery systems of education for students with mental health challenges as well as services to meet mental health needs both in and out of school are experiencing funding and regulatory challenges. UEN supports access to mental health services for students and clarity of funding sources and funding responsibilities, particularly for students costly to educate, such as those in residential facilities. UEN encourages state support for mental health services through either the education system (weighting for students with mental health challenges without special education distinction or funding which parallels the process for state juvenile home educational expenses) and/or human services/juvenile justice appropriations when appropriate.

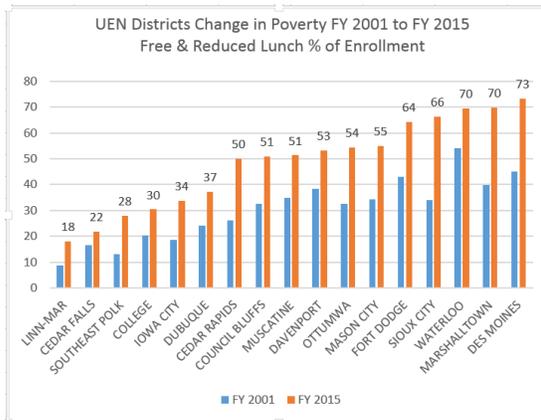
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## UEN Issue Brief 2016

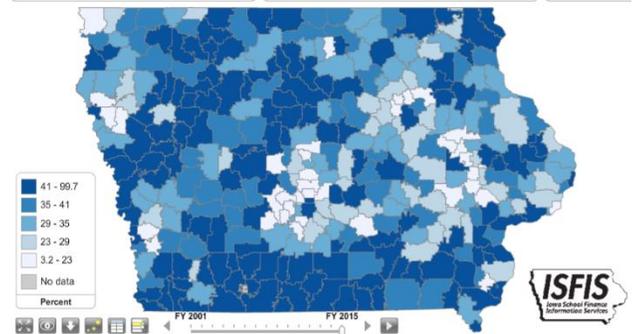
### Childhood Poverty/At-Risk Students and School Funding



**Background:** Iowa used to be a homogenous state with relatively low poverty compared to other states. In 2001, about 28% of students were eligible for Free & Reduced Lunch. Iowa's funding formula has little recognition of low income as a driver of at-risk student funding or programming. Dropout Prevention (DoP) funding is based on total enrollment count, not the percent of students at-risk, and is limited to between 2.5% and 5% of regular program district cost based on historical practice. Most UEN districts are at the 5% maximum, while their percentage of students from low-income families and those at-risk of dropping out of school both far exceed 5%.

#### Current Reality:

- Students in poverty are more likely to begin school behind peers academically, struggle with health and other issues contributing to attendance challenges, exhibit nonproficient literacy skills, especially in early elementary, and fall further behind over summer breaks, unless schools have the resources, staff and programs to meet their needs.
- Free and Reduced Lunch eligible children comprised over 41% of school enrollment in FY 2015.
- Poverty is no longer concentrated in Iowa's urban centers. In FY 2015, 64 school districts in Iowa had more than half of their students eligible for Free & Reduced price lunch, Postville at 99.1%.
- The national average investment is an additional 29% funding beyond the base for low-income students. Weights vary but range from an additional 0.05 in Mississippi to 0.97 in Maryland. The average weight is 0.29—or an additional 29% funding per pupil beyond the base. "Most states provide about an additional 0.20 to 0.25 in funding for low-income students," according to the American Institutes for Research, "Study of a New Method of Funding for Public Schools in Nevada," Sept. 25, 2012.
- Iowa's funding for at-risk students, dropout prevention resources, and potential grant funds for high-needs schools, if \$10 million is appropriated for FY 2017, combined, translates into about 9.8% additional funding commitment for these students, just less than half the national average investment.
- Allowable uses for dropout prevention expenditures were expanded during the 2015 Legislative Session to include any at-risk purpose, allowing districts to further engage in prevention for younger students at-risk of early and subsequent failure. The flexibility legislation did not address the equity of distribution or the variance in the DoP cap.



**Childhood Poverty/ At-Risk Students:** UEN supports revisions to the foundation formula to support districts with high numbers of low-income students and students at-risk of dropping out. Funding should reflect student need and districts should have authority to identify students and flexibly administer funds.



## UEN Issue Brief 2016

### English Language Learner Supports

**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.

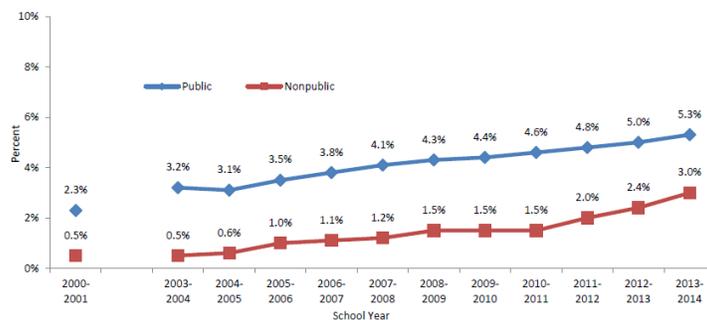
#### Historical Context

The number of students who are English language learners (ELL) continues to increase. In the 2013- 2014 school year, 5.3 percent of students were reported as ELL, up from 5.0 percent in 2012-2013 as reported in the 2014 DE's Annual Condition of Education Report. Of the 33 Iowa school districts in FY 2014 with more than 10% of their enrollment eligible for ELL programming, eight are urban districts and 25 are more rural in nature.

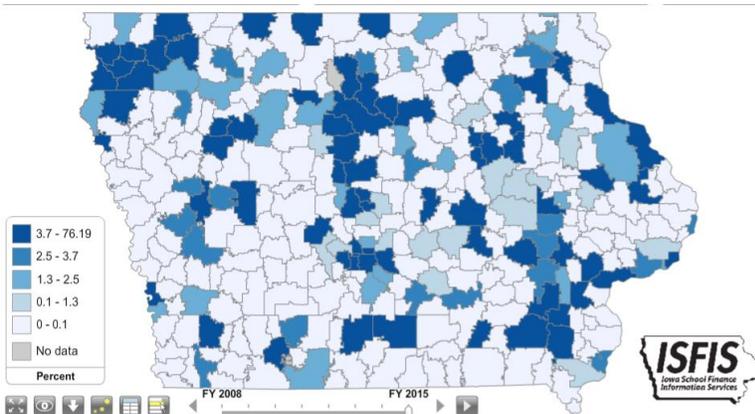
#### Enrollment of English Language Learners (ELL)

Figure 1-4

Percent of Public School and Nonpublic School K-12 English Language Learner Students 2000-2001, 2003-2004 to 2013-2014



Source: Iowa Department of Education, Bureau of Information and Analysis, Basic Educational Data Survey and SRI.



This map shows the distribution is geographically diverse, with the darker blue districts having ELL concentrations above the state average in FY 2015. (Although this shows districts with greater than 3.7% ELL, there are nine UEN districts above 4%, with Marshalltown at 39% ELL in FY 2015)

**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



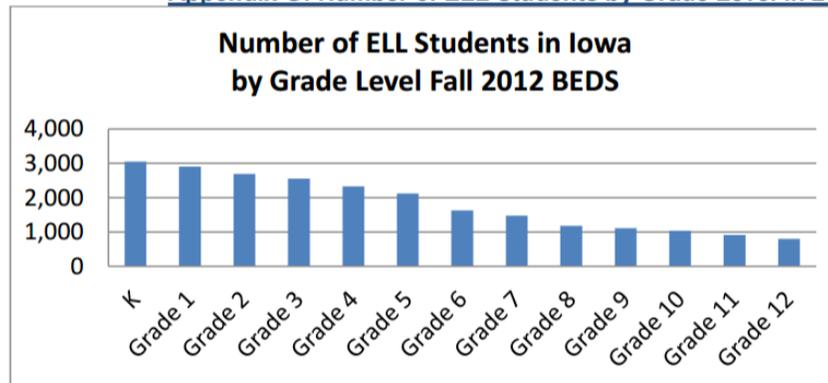
fund for the ELL expenses is funded by the district's cash reserve levy or existing cash balance. It is important to highlight the relationship between per-pupil property valuation, which is inversely related to the local property tax rate (lower value results in higher taxes) when attempting to understand 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.



# Urban Education Network of Iowa

Serving Public Education in Iowa's Eight Urban Centers

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

Associate Members: Cedar Falls/ College /Fort Dodge/ Linn-Mar/Marshalltown/Mason City/Muscatine /Ottumwa/ SE Polk



Districts with significant concentration of students designated as ELL, 7% and greater, FY 2015. (11% of Iowa School districts have more than 7% of enrollment served in ELL programs compared to 53% of UEN districts with greater than 7% of enrollment served in ELL programs):

School District	Certified Enroll	LEP % FY 2015
DENISON	2,047	55.60
STORM LAKE	2,257	42.45
MARSHALLTOWN	5,389	39.34
POSTVILLE	659	33.84
COLUMBUS	816	30.04
WEST SIOUX	755	23.11
PERRY	1,836	21.76
ROCK VALLEY	675	20.72
WEST LIBERTY	1,204	20.61
DES MOINES	32,413	19.61
SIOUX CITY	14,132	19.43
HAMPTON-DUMONT	1,217	18.21
SIOUX CENTER	1,115	17.31
CAL	264	15.91
WAPSIE VALLEY	717	15.88
CLARKE	1,448	15.34
SOUTH TAMA COUNTY	1,467	13.07
JESUP	882	13.02
LENOX	393	12.53
EAGLE GROVE	833	12.39

School District	Certified Enroll	LEP % FY 2015
TWIN RIVERS	175	12.00
OTTUMWA	4,577	11.43
CLARION-GOLDFIELD-DOWS	807	10.75
URBANDALE	3,376	10.73
WEBSTER CITY	1,549	10.42
BELMOND-KLEMME	796	10.34
WEST DES MOINES	9,054	9.86
MUSCATINE	5,344	9.10
WATERLOO	10,992	9.10
IOWA CITY	13,160	8.61
BOYDEN-HULL	609	8.41
SIBLEY-OCHEYEDAN	771	8.11
WEST HANCOCK	592	8.01
NEWELL-FONDA	481	7.99
COUNCIL BLUFFS	8,996	7.81
SHELDON	1,010	7.75
CHARITON	1,344	7.55
MOC-FLOYD VALLEY	1,377	7.03

*UEN Issue Brief 2016*

## **UEN Goal of Quality Preschool for All Students**

**Early Childhood/Quality Preschool:** UEN supports an elevated commitment to quality preschool standards, expanded/universal access for 4-year-olds, state start-up money for expansion (such as application of on-time modified supplemental authority to PK enrollment growth), flexibility in use of PK resources for wrap-around services and opportunities for 3-year old students to access quality preschool.

### **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 critical long-term economic investment in the future workforce. Education Commission of the States, Oct. 2014, <http://www.ecs.org/docs/early-learning-primer.pdf>:

*Six Rigorous long term evaluation studies have found that children who participated in high-quality preschool programs were:*

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

National Conference of State Legislatures has this site which quotes three 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 (although their earlier findings of \$8 saved for every dollar invested are also referenced and often cited.)

Sarah Daily, *Initiatives from Preschool to Third Grade: A Policymaker's Guide*, shows quantifiable percentage reductions in costly outcomes that quality preschool prevents. (Denver, CO: Education Commission of the States, October 2014)

<http://www.ecs.org/docs/early-learning-primer.pdf>

**Barriers to Expansion:** Improvements in access for students, especially students from low income families, depending on additional flexibility of funding (for transportation that can be prorated for efficiency's sake, outreach to market and create urgency that preschool is important, wrap-around services to accommodate working families, and consistency, timeliness and predictability of funding.

*UEN Issue Brief 2016*

## Aligned Assessments of Student Progress

**Background:** The 2013 Education Reform effort addressed Iowa's state assessment of reading mathematics and science, requiring that the tests previously administered be used, until July 1, 2016, at which time the State Board of Education could again presumably determine the state assessment. HF 215 also required the Iowa Department of Education (DE) 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 that is aligned to the Iowa common core standards and at a minimum, valid, reliable, tested and piloted in Iowa. The task force considered costs to school districts and the state to provide and administer tests and the technical support necessary to implement. 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 both the summative tests used for accountability and the 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 in preparation to begin the process of implementing SBAC, with the intended first administration of the test statewide in spring of 2017. Also critical to understand, Iowa has not been approved for a waiver from NCLB federal requirements. UEN school leaders are concerned that Iowa schools and the state will have difficulty meeting federal expectations regarding alignment between our Iowa Core standards and the state test Iowa has been using. Additionally, the task force is has reconvened to consider a state science assessment following adoption of new science standards by the State Board.

**Aligned Assessment:** 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 our state accountability plan. A summative test is required for federal accountability compliance, but school leaders recognize the importance of formative assessments along the way to inform instruction. The suite of assessment tools, including the formative assessments, the online digital library and the professional development included in the task force recommendations, will help teachers diagnose what students know and can do, and change instruction along the way based on that information.

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

- **Computer adaptive test:** Prior answers determine subsequent questions. Standards mastery for students at both ends of the learning spectrum will be better identified. Students are less frustrated with the test and more engaged. Iowa students interviewed after participating in the piloting of the SBAC tests confirmed their preference for this test format.
- **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 and the 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**, requiring students to engage higher levels of thinking to demonstrate their mastery of the tasks required. Those are primarily the parts of the test that take a little longer for students to complete. The SBAC doesn't have a time limit, which allows students who may require more time to truly demonstrate their ability.
- **Development of the test Involved Iowa educators and students.** The tests recommended by the task force were required to be piloted in Iowa. Likewise, thousands of lessons in the digital library have been submitted by Iowa educators. Iowa educators, administrators, school board members, AEAs, curriculum directors, the business community and parents were included in the 21-member task force. Task force members, including those from UEN districts, were very strongly behind the recommendation.

**Change is difficult and there will be bumps in the road.** UEN leaders do not naively expect everything to unfold easily in the world of school improvement and assessment with this big change. It is critical that the state recognize and support school district technology needs in order to administer the test online:

- Some districts may need a lengthened test window or an option to initially deliver the test with paper/pencil (although along with that option, the computer adaptive nature of the test is lost).
- Educators and students need time to learn how to administer and take the test. Communication with parents, the public, and state leaders will be challenging if Iowa experiences the proficiency dip other states have seen. With a more rigorous test, aligned to higher expectations, it is intelligent to anticipate the dip.
- Resources: UEN leaders urge the State Board of Education to advocate for and the Legislature and Governor to provide support for the additional costs districts will incur in implementing this test. 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 **SF 477 that was approved by the Senate 37:13 and now sits in House Ways and Means. This bill extends the state penny sunset to 2049. This predictable and stable funding source will help school districts upgrade technology and purchase the devices necessary to properly administer SBAC assessments.**
- Iowa has the benefit of learning from other states that pioneered SBAC assessments, lessening the potential challenges through clear expectations of the test provider Iowa chooses, determined by an RFP process.
- Lastly, misinformation and misunderstanding have clouded the conversation. Continued efforts at communicating about the purpose of assessment and how SBAC furthers learning for students, while complying with federal accountability requirements, will be ongoing.

**UEN encourages the State Board of Education to move forward with implementation and urges the Legislature and Governor to provide the resources necessary for schools to administer the test, including the technology required.**

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## Advocacy and Other Legislative Resources

**Iowa Secretary of State Candidate Contact list:**

<https://sos.iowa.gov/elections/pdf/candidates/primarycandidatelist.pdf>

**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>

### 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](#)

## DE Guidance and Updates on Legislation

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Official guidance or update letters from the DE regarding education legislation. Each guidance or update letter provides further detail about requirements of specific state or federal legislation.

2016 find on DE site here: <https://www.educateiowa.gov/resources/legislative-information>

[2016-06-17 Letter to the Field - 2016 Legislative Session - Statute Changes Affecting Schools](#)

[2016-06-16 Overview and Initial Guidance on House File 2392 - ICAP](#)



## NOTES