

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

UEN 2018 Legislative Digest



July 19, 2018



UEN

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

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

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

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

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

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

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

UEN Represents:

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

Member Districts:

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

Associate Member Districts:

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

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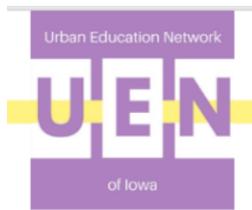


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The following **2018 Legislative Priorities** were established by the UEN Steering Committee during the UEN Annual Meeting, Nov. 15, 2017. See the UEN home page for details regarding the upcoming Nov. 14, 2018 Annual Meeting www.uen-ia.org. Status of this year's activity follows:

- Invest in Iowa's Future:** Adequate funding is required to fulfill the goal of restoring Iowa's first in the nation education status. Adequate funding is required to deliver world-class learning results for students. Adequate funding is required to develop a world-class workforce to secure Iowa's economic future. Adequate funding is required to attract great thinkers to the field of education, to recruit, retain and reward Iowa's excellent educators of today and the future. Iowa's investment in public education should mirror Iowa's economic growth and make up for shortfalls when the economy is robust. A strong school finance system requires commitment to the principles of primacy, adequacy, equity, and flexibility. New resources from the state should supplement, not supplant existing resources. Iowa's future depends on a stable and balanced state revenue policy that generates sufficient revenue to fund Iowa's priorities, including the education of Iowa's children.

2018 Action: HF 2330 set SSA at 1%, including per pupil supplements, for FY 2019. The bill grows the Property Tax Replacement Payment to \$91 per pupil, or \$52 million. 103 districts have a net reduction in funds. 178 are on budget guarantee (including the \$5 increase from SF 455 below). PK-12 Education was primarily spared further budget reductions experienced in deappropriations action, yet concerns about the impact of HF 2489 Tax Modernization Act and unpredictable state revenues leave UEN members with significant concern about future funding.

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

2018 Action: HF 2481 was approved by the House 95:3 during the 2018 Session. The Senate Ways and Means Committee unanimously approved a similar but incomplete version of HF 2481, but did not complete action on the policy before the legislature adjourned.

- Resolve Formula and Transportation Inequalities:** Commit to a solution that eliminates the \$175 different in the district cost per pupil in the school foundation formula and provide resources to close the expenditure gap in school transportation costs.

2018 Action: SF 455 passed unanimously in the Iowa Senate in 2017, provides a 10-year phase in to eliminate these two inequities, providing resources to every Iowa school district. SF 455 in its final form as passed by the 2018 House and Senate and signed by the Governor is a scaled back version, providing grant funding for transportation and closing the equity gap in the formula from \$175 to \$170 dollars per pupil.

- Teacher Shortage:** Although districts have struggled to recruit and retain teachers in shortage area positions such as mathematics and science for years, other areas such as special education, English-language learner, foreign language, music, career and technical, hiring minority teachers and even filling gaps with substitutes has become a routine challenge. Adequate funding is required so school districts can compete with the private sector for instructional staff. Additionally, flexibility in certification (such as a generic special education certification), sufficient time to help existing staff transition to appropriate licensure, additional time to pass the Praxis test or acceptance of another state's test, and

fast-track licensure programs for teachers in their second career are required to help address Iowa's teacher shortage.

2018 Action: HF 2280, Praxis Elimination as a step toward Iowa teacher licensure was approved in House. SF 2363 would have required DE to set a Praxis cut score for Iowa Licensure, rather than a national percentile ranking. Neither idea made it to the governor's desk. There was no change to TLC funding.

- **Assessment:** Fund an assessment system aligned to Iowa Standards. Move forward with the recommendations of the State Board of Education for an assessment aligned to the standards we teach, that measures progress along the way, measures both attainment and growth, and focuses attention on closing gaps in outcomes for disadvantaged student groups.

2018 Action: SF 2415 Education Appropriations included \$2.7 million for a new state assessment, which may not be sufficient to cover all district costs. HF 2235 State Assessment required the new test to be administered by Iowa Testing Programs and included some requirements on confirming alignment, providing both computer-based and pencil-paper test forms, but did not honor the Assessment Task Force Recommendations of either of the prior two years regarding the best assessment for Iowa students.

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

2018 Action: No funding, including a continued delay of \$10 million for High Needs Schools that was originally set in the 2013 Session and no action on ELL or poverty weightings. However, HF 2441 gave school board authority regarding direction of Dropout Prevention and At-risk funding and removed the DE from approving local plans.

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

2018 Action: No funding was allocated, but some inroads on flexibility and mandates, including HF 2456 MH Services which added MH beds to provide additional services for Iowans and the bill also requires DHS to work with other agencies and stakeholders to review ways to increase efficiency and utility of MH services. HF 633 adds social worker to list of positions that can generate operational sharing incentives. SF 2113 Suicide prevention and postvention training requires training for teachers, requires state BOE to adopt rules and requires one hour of training annually (effective July 1, 2019).

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



of Iowa

2018 Action: SF 475 prohibits the DE from issuing guidance inconsistent with state law or administrative rules and states that such guidance is advisory in nature and does not have the force of law. HF 2441 gives school board authority to determine the length of leases rather than being limited to five years. This bill also provided local board authority regarding dropout prevention plans and expanded possibilities for transferring ending categorical balances to the schools General Fund. HF 2343 prohibited state agencies from implementing or enforcing any standard, requirement or threshold without clear authorization.

Legislative Session Approval and Veto Process

The 2018 Legislative Session drew to a close on Saturday, May 5, 2018. Although 1,416 bills were introduced in the Iowa Legislature this Session, 176 pieces of legislation made it to the Governor's desk.

This Digest details legislation enacted by the 2018 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, some of which did not pass, but may resurface in the future. The information section of this digest includes Issue Briefs regarding UEN priorities that guided advocacy during the Session. The 2018 Session was the second of the two-year biennium of the 87th Iowa General Assembly. During the 2018 Legislative Session, bills that were introduced last year and moved partially through the process (approved during floor debate in the chamber of origin in the prior year) remained eligible for consideration. SF 455 Transportation and Formula Equity is a good example of bills left in committee at the conclusion of the 2017 Session that were ultimately approved in 2018. Any bills that were approved in one chamber in 2018, such as HF 2481 SAVE extension, will need to begin the process again in the 2019 Session.

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

- Bills received by the Governor during the last three calendar days of session (except Sundays) must be signed or vetoed within 30 calendar days. The deadline for Governor's action was Monday June 4. *Governor Reynolds completed her action on June 1.*
- The Governor may exercise three types of vetoes: the veto, item veto, and pocket veto.
 - **Veto** indicates the Governor's disapproval of an entire bill.
 - **Item veto** may be used only for bills which appropriate funds. This action strikes a specific item of an appropriations bill.
 - **Pocket veto** occurs when the Governor fails to take action within 30 calendar days on a bill received within the last three calendar days of session (except Sundays). The entire bill fails to become law in this situation. This rule is in contrast to the process during the Session prior to the last three days, wherein lack of action within three days means the bill becomes law.
- The Legislature may petition to convene a special session, which requires signatures of 2/3rds of the legislators. Additionally, the Iowa Constitution requires a 2/3rds majority vote in both chambers to override a veto.
- Lt. Governor, Kim Reynolds, was sworn in as Iowa's 43 governor on May 24, 2017, as Governor Branstad resigned to accept the position of US Ambassador to China. This was her first complete session in the governorship position.

Executive Summary - 2018 Session in Review

This was an exciting year of advocacy for the Urban Education Network, with continued inroads in the areas of district flexibility as a priority that made significant progress. Threats of school vouchers, AKA education savings accounts, and limitation of district authority to regulated open enrollment out for districts with desegregation plans, were both halted. In what turned out to be a very challenging legislative session, UEN members were effective in building urgency, yet still have much work to do in the key areas of funding, transportation/formula equality, extraordinary student need, and extending the statewide penny.

Strained Budgets: Although the Revenue Estimating Conference had lowered revenue growth estimates in both 2016 and 2017, the federal tax reform legislation created the effect of increasing revenues to the state coffers as the 2018 Legislative Session kicked off. In order to balance the budget and simultaneously pay back some of the funds borrowed from the cash reserve fund in 2017 (\$131 million), the 2018 session enacted another round of mid-year deappropriations. The Deappropriations Act, [SF 2117](#), did not directly impact PK-12 schools, but did make reductions in other areas of education, such as community colleges, regents universities and the Iowa Department of Education. After making some transfers from other funds to the state General Fund to avoid larger cuts, the total reduction was \$23.3 million, which revised the net FY 2018 total state general fund appropriation level to \$7.254 billion.

Education Policy Focus on Flexibility: SF 475, Omnibus Education Provisions, included some flexibility for districts count community college CTE courses as meeting offer and teach requirements under certain circumstances, and retained supplementary weighting for the courses if districts have fewer than 600 students, which was an UEN priority. It also allowed all districts to offer online curriculum to students. HF 2441 expanded uses of HSAP, made further improvement to drop-out prevention by returning approval of the local plan over to school boards instead of the DE, expanded uses of DoP and at-risk funds, made changes to leasing property for electricity generation for the school districts and made other flexibility improvements. These efforts continue to build on the 2017 Session policies of Home Rule, expanded flexibility and creation of the school district Flexibility Fund to repurpose carry-forward categorical fund balances. UEN has continued to prioritize local control and supported these efforts.

Education Policy Focus on Equity: SF 455, Transportation and Formula Equality, made the first large scale state investment in funding school transportation. The bill appropriates \$11.2 million for transportation equity and raised the state cost per pupil minimum by \$5 for FY 2019, closing the formula gap from \$175 to \$170 per pupil. UEN will continue to express the urgency for both of these issues critical to Iowa schools, but this is a great start.

Relative Context of PK-12 as a Priority: In fiscal year funding comparisons between FY 2018 and the FY 2019 budget approved in the 2018 Session, it is important to note that the change is expressed in comparison to this revised 218 budget. For example, the Board of Regents increase from revised FY 2018 to FY 2019 is \$8.4 million. The Regents Universities mid-year cut was approximately \$10 million in SF 2117. The Regents FY 2019 budget is thus about \$2 million lower than their original FY 2018 budget. It is important for PK-12 advocates to keep in mind this comparison when considering the relative priority of education in the 2018 session; although increases were relatively low, new investments were made in transportation and formula equality and the 1% increase in the state cost per pupil was truly an increase, with PK-12 total investments faring better than the rest of the education community or other areas of state government.

Revenue Projections History: The Legislative Services Agency, which is the nonpartisan budget staff of the Legislature, provided a great explanation of the changing revenue projections impact on state budgets for FY 2017, FY 2018 and FY 2019. See their thorough analysis [here](#), but in short, a summary follows:

FY 2017 State Budget and Revenue Adjustments:

- FY 2017 General Fund budget, first enacted during the 2016 Legislative Session, was balanced with an estimated surplus of \$80.0 million.
- Revenue Estimating Conference (REC) later lowered the revenue estimate three times, which caused the budget to have a projected shortfall of \$130.4 million by March 2017.
- In response, the General Assembly passed legislation that transferred \$131.1 million from the Cash Reserve Fund to the General Fund to balance the budget late in the 2017 Session, with a new estimated surplus of \$1.6 million.
- After the 2017 Session adjourned, revenue collections continued lag projections. At the close of the FY17, the General Fund budget had a deficit of \$13.0 million.
- In response, the Governor transferred \$13.0 million from the Economic Emergency Fund in October 2017 to balance the budget. The FY 2017 General Fund budget ended the fiscal year with a zero balance.

FY 2018 State Budget and Revenue Adjustments:

- In May 2017, the FY 2018 General Fund budget expected a year-end surplus of \$107.3 million. In the months following, the FY 2018 budget went through numerous changes.
 - The REC met in October and December 2017 and lowered the FY 2018 revenue estimate by \$133.1 million (1.8%).
 - Federal tax changes signed into law in December, 2017, impacted State revenues (reductions of corporate and personal income tax rates). DOR estimated state personal income tax revenues would increase due to Iowa's federal deductibility provisions.
 - Between January and March, DOR revised the estimated impact several times. The final estimate assumed Iowa's General Fund revenue would increase by \$28.4 million in FY 2018 and \$188.3 million in FY 2019.
- In January 2018, the LSA projected an FY 2018 budget shortfall of \$34.7 million, later revised in March to a projected shortfall of \$3.6 million.
- SF 2117 (FY 2018 Budget Adjustment Act) was enacted: reduced appropriations by a net total of \$23.3 million and transferred \$10.0 million in revenue from the Skilled Worker and Job Creation Fund to the General Fund. As a result, the current General Fund surplus for FY 2018 is estimated to be \$31.7 million.

FY 2019 State Budget and Revenue Adjustments:

- The FY 2019 Budget passed by the 2018 General Assembly was based on total available resources of \$7.641 billion. This includes the March 2018 REC revenue estimate of \$7.546 billion and revenue adjustments of \$94.9 million, and an estimated surplus carryforward of \$800,000.
- The FY 2019 revenue adjustments include net General Fund reductions totaling \$93.4 million passed by the General Assembly and an increase of \$188.3 million associated with federal tax law changes.

The revenue reductions were driven largely by the passage of SF 2417 (Income and Sales Tax Modernization Act), which reduced revenue by an estimated \$100.1 million for FY 2019 and by an estimated cumulative \$1.527 billion over the next five years.

- The General Assembly appropriated \$7.480 billion from the General Fund for FY 2019, an increase of \$225.9 million (3.1%) compared to estimated net FY 2018.
- FY 2019 estimated ending balance is \$166.2 million, which is seen on the bottom line of the following chart from the LSA Fiscal Update:

	<u>Actual</u> <u>FY 2017</u>	<u>Est Net</u> <u>FY 2018</u>	<u>Final Action</u> <u>FY 2019</u>
Resources:			
Receipts (Dec. Est.)	\$ 7,095.9	\$ 7,237.5	\$ 7,527.0
March REC Adjustment		4.9	18.5
Net Receipts	<u>7,095.9</u>	<u>7,242.4</u>	<u>7,545.5</u>
Reserve Fund Transfers	144.1	0.0	0.8
Revenue Adjustments	0.0	38.2	94.9
Subtotal Receipts	<u>7,240.0</u>	<u>7,280.6</u>	<u>7,641.2</u>
Surplus Carryforward	<u>18.2</u>	<u>0.0</u>	<u>0.0</u>
Total Available Resources	<u>\$ 7,258.2</u>	<u>\$ 7,280.6</u>	<u>\$ 7,641.2</u>
Expenditure Limitation			\$ 7,545.0
Estimated Appropriations and Expenditures:			
Appropriations	\$ 7,351.7	\$ 7,264.6	\$ 7,480.2
Transfer to Economic Emergency Fund	0.0	13.0	0.0
Supplemental/Deappropriations	<u>- 88.2</u>	<u>- 23.3</u>	<u>0.0</u>
Total Appropriations	<u>\$ 7,263.5</u>	<u>\$ 7,254.3</u>	<u>\$ 7,480.2</u>
Reversions	- 5.3	- 5.4	- 5.0
Governor's Item Vetoes	<u>0.0</u>	<u>0.0</u>	<u>- 0.2</u>
Net Appropriations	<u>\$ 7,258.2</u>	<u>\$ 7,248.9</u>	<u>\$ 7,475.0</u>
Ending Balance - Surplus	<u>\$ 0.0</u>	<u>\$ 31.7</u>	<u>\$ 166.2</u>

Tax Cuts: Despite the ongoing concerns about the state revenue picture last year and during the first part of the session, the Republican Governor, Senate and House enacted tax cuts that will further stress revenue over the next several years. For the first time, UEN registered opposed to a tax proposal, concerned that education would not be adequately funded in the future. More information is provided later in this Digest describing the details and fiscal impacts of **HF 2489**.

The tight budget, whether a function of revenue uncertainty or tax reduction priority, stymied the conversation on state investment in school choice, also known as educational savings accounts or vouchers, even before the tax cuts were enacted. Given the conversation at the national level and a strong and active lobbying presence in Iowa, school choice/voucher legislation is likely to be present during the election and may appear during the next session, absent sufficient advocacy to balance out the messages communicated by nonpublic schools and home school families. Expect tight budgets to continue unless Legislators revisit the revenue side of the equation.

State Tax Credit Expected Claims Projection: With continued revenue estimate adjustments as revenues have lagged expectations, attention has been directed to tax credits. This chart from the LSA’s analysis of the state budget recommendations, LAGAR, <https://www.legis.iowa.gov/docs/publications/LAGR/916989.pdf> 2018 provides some context.

This chart shows the expected growth in the credits from FY 2017 through FY 2019. The \$84.3 million growth in capped programs from FY17 to FY 18 is a 71% increase, although that falls off slightly in FY 2019. The uncapped programs growth of \$117.6 million from FY17 to FY 18 represents a 35.4% increase, which also falls off slightly in FY 2019.

HF 2489 tax cuts makes some changes to tax credits, including considering some reductions in the future, but the biggest impact on public schools was the expansion of the current cap on STO’s by an additional \$1 million and expansion of eligibility for children attending private schools from 300% to 400% of the federal poverty level.

Expected State Tax Credit Claims

Another factor influencing General Fund revenues is tax credits claimed against personal and corporate income. The Governor’s FY 2019 budget is based on revenue estimates established by the REC in December 2017 (Table 6). The estimates include claims for numerous tax credits available to tax filers. The table below shows the tax credits that are expected to be claimed against the State. In some cases, any person or business meeting the eligibility criteria can claim a credit. When there is a “cap” on the credit, there is a maximum amount that may be claimed either in one year, or over a period of years.

Tax Credit Program	Actual FY 2017	Est FY 2018	Est FY 2019
Capped Programs			
Historic Preservation and Cultural and Entertain. Dist. Tax Credit	\$ 43.4	\$ 62.6	\$ 66.4
High Quality Jobs Program	19.9	47.1	43.0
Workforce Housing Tax Incentive Program	0.1	38.6	33.0
School Tuition Organization Tax Credit	10.8	11.3	11.3
Enterprise Zone Program – Housing Component	9.1	10.3	6.0
All Other Programs	34.5	32.1	31.4
Total Capped Programs	\$ 117.8	\$ 202.1	\$ 191.2
Uncapped Programs			
Earned Income Tax Credit	\$ 69.4	\$ 68.6	\$ 66.9
Research Activities Tax Credit	48.8	75.8	67.5
Iowa Industrial New Jobs Training Program (260E)	37.8	43.2	43.3
Biodiesel Blended Fuel Tax Credit	17.4	17.2	18.3
Tuition and Textbook Tax Credit	15.3	15.3	15.4
All Other Programs	25.5	27.4	26.6
Total Uncapped Programs	\$ 214.2	\$ 247.6	\$ 238.0
Tax Credit Program Total	\$ 332.0	\$ 449.6	\$ 429.2

Notes:
These estimates are based on the Tax Credit Expected Claims Projection published by the Department of Revenue in December in the Tax Credits Contingent Liabilities Report. The table above reflects the tax credits that are likely to be claimed in a given fiscal year based on the previous year. The projected claims are incorporated in the FY 2018 and FY 2019 REC revenue estimates.
The numbers may not equal totals due to rounding.

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



Bills Enacted in the 2018 Session

Tax Cuts: [HF 2489](#) UEN registered opposed to the bill. House File 2489 includes the following provisions:

- Conforms (couples) Iowa's tax year (TY) 2018 individual income tax laws with several recent changes to the federal tax code.
- Generally conforms Iowa's individual income tax laws to the federal tax code, beginning with TY 2019. • Reduces Iowa individual income tax rates, beginning TY 2019.
- Modifies Iowa's individual income tax system by reducing the number of tax brackets, reducing tax rates, and changing the basis of income taxation. The changes are effective only if two revenue targets are met. The earliest the changes may be effective is TY 2023. The two revenue targets that must be met are:
 - Actual net General Fund revenue must total at least \$8.3146 billion in the previous fiscal year.
 - Actual net General Fund revenue for the previous fiscal year must exceed the actual net General Fund revenue level for the fiscal year immediately prior to the previous year by at least 4.0%.
- Expands the sales/use tax base to include additional types of items and services. The expansion is effective January 1, 2019. The types of items include: digital goods, ride sharing, subscription services, online sellers, online marketplaces, manufacturing definition, and online travel company websites.
- Generally conforms Iowa's corporate income tax laws to the federal tax code, beginning with TY 2019. • Reduces Iowa's corporate income tax rates beginning TY 2021. Iowa's alternative minimum tax and the ability of corporations to deduct federal income taxes paid are eliminated.
- Makes the following changes to several existing programs financed through tax credits:
 - Extends the Innovation Fund Tax Credit, set to expire June 30, 2018, to June 30, 2023.
 - Extends the Targeted Jobs Pilot Project and associated Targeted Jobs Withholding Tax Credit, set to expire June 30, 2018, to June 30, 2019.
 - Increases the annual cap for the School Tuition Organization Tax Credit by \$1.0 million, to \$13.0 million. The income threshold for grant eligibility is increased from 300 percent to 400 percent of federal poverty.
 - Eliminates two tax credits for geothermal energy systems effective January 1, 2019.
 - Makes changes to the Research Activities Tax Credit. The changes restrict the types of industries eligible for the credit and require that the taxpayer also claim a federal research tax credit for the same research and the same tax year. The changes are retroactive and apply to TY 2017 and after.
 - Eliminates the Taxpayer Trust Fund Tax Credit beginning TY 2018. The Taxpayer Trust Fund is renamed the Taxpayer Relief Fund.
- Makes technical corrections to the administration of tax law by the Department of Revenue.
- Makes changes to the local option sales tax, hotel and motel tax, and automobile rental excise tax. By operation of law, changes to the State individual income tax affect the amount of revenue raised by the local option income surtax for schools, and changes to the State sales/use tax base affect the amount of revenue raised by the local option sales tax and revenue deposited to the Secure an Advanced Vision for Education (SAVE) Fund.

Please note – the total general fund change in net receipts annual impact is determined by subtracting the prior year; for example, FY 2020 impact of \$262.9 million minus the FY 2019 impact of \$100.1 million, means that the loss to the state’s general fund revenue in FY 2020 will be \$162.8 million compared to the prior year.

Those claiming that this is a two-billion-dollar tax cut must be considering several years of cumulative impact to get to that number. Here’s the impact from the LSA’s post-session explanation of SF 2417 in their Fiscal Update Article on June 4, 2018.
<https://www.legis.iowa.gov/docs/publications/BL/965877.pdf>

The projected impact on local government tax revenue is summarized in the bottom portion of **Table 4**. The first two items are revenue sources for local school districts, while the third item is city and county revenue.

Table 4 – State and Local Revenue Impact							
Projected Change Compared to Current Law (In Millions)							
State General Fund Revenue Impact							
Item	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Individual Income Tax	\$ -0.8	\$ -186.0	\$ -408.9	\$ -471.5	\$ -494.8	\$ -540.7	\$ -753.3
Corporate Income Tax	0.0	25.6	20.8	5.2	-41.4	-48.3	-44.9
Sales/Use Tax	0.0	55.8	117.3	126.3	134.1	142.4	148.5
Tax Credits	0.6	4.5	7.9	8.6	8.0	7.7	7.5
General Fund Revenue Impact	\$ -0.2	\$ -100.1	\$ -262.9	\$ -331.4	\$ -394.1	\$ -438.9	\$ -642.2
Local Government Revenue Impact							
Item	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
School Income Surtax	\$ 0.0	\$ -1.8	\$ -11.8	\$ -13.7	\$ -14.3	\$ -14.8	\$ -21.7
School Infrastructure (SAVE) Fund	0.0	11.0	23.2	25.0	26.5	28.2	29.4
Local Option Sales Tax	0.0	8.7	18.3	19.7	20.9	22.3	23.2
Local Government Revenue Impact	\$ 0.0	\$ 17.9	\$ 29.7	\$ 31.0	\$ 33.1	\$ 35.7	\$ 30.9

Enactment Date. The Act was approved by the General Assembly on May 5, 2018, and was signed by the Governor on May 30, 2018.

Final note on tax cuts: School funding in Iowa is about 40-42% of the state General Fund budget. If revenues are suppressed by \$100 million, UEN's first concern is that there is too little revenue growth left to provide additional funds to education. Additionally, PK-12's proportional share of the \$100 million reduction would be about \$42 million. For the legislature to protect education against reductions, the rest of the budget will have to endure another \$42 million cut for each \$100 million tax revenue decline.

UEN members are already concerned that AEAs, universities, community colleges, human services, law enforcement and other state government services that provide supports to Iowans will be further unable to assist the families and communities that comprise our school districts. UEN encourages school leaders to ask candidates running for the House, Senate and Governor's office how they intend to balance the budget and provide sufficient revenue growth to ensure adequate funding for education in the coming years as this tax reduction is phased in.

SF 2388 Telephone Property Assessment: this bill phases in a reduction and change in how telephone property and equipment is assessed for the property tax, from central assessment to assessments based on the value of land and buildings. The bill deems that cellular phone towers are not transmission property and makes related changes in the sales tax. The House passed the bill as amended 60-35 and the Senate agreed, 35-11.

The LSA estimates that the bill will reduce local property tax collections by \$9.6 million (FY 2021); \$18.6 million (FY 2022); \$26.9 million (FY 2023); \$25.7 million (FY 2024 and after). The decreases in assessed values for phone and cable companies means that state General Fund school aid appropriations will increase by an estimated \$1.6 million (FY 2021); \$3.0 million (FY 2022); \$4.4 million (FY 2023); \$4.2 million (FY 2024 and after), which will offset the property tax reductions. The sales tax reductions to the state General Fund will be \$200,000 in FY 2022 and \$400,000 in later years. UEN did not lobby this bill, but will monitor the fiscal impact going forward.

SF 2117 FY 2018 Budget Reductions: this bill is the deappropriations bill, cutting expenditures in the fiscal year beginning July 1, 2017. This bill passed the House, 59-41, the Senate, 28-21. UEN monitored this legislation. *Funding to PK-12 schools was not impacted by this bill.*

SF 2415 Education Appropriations: The Notes on Bills and Amendments [NOBA](#) provides details of all of the appropriations of the bill. UEN is registered undecided. The following appropriations to the DE and statutory language are of particular interest to schools:

- **State Assessment:** a new appropriation of \$2.7 million to be distributed to school districts for the statewide student assessment. This is lower than the Governor's recommendation, which was based on the RFP award to the American Institutes of Research, AIR. HF 2235 required the DE to adopt administrative rules setting the statewide assessment for students as the assessment created by the Iowa Testing Program and administered by the Iowa Testing Program's designee.
- **Work-based Learning:** a new appropriation of \$250,000 for the creation of a statewide clearinghouse regarding work-based learning.
- **Summer Joint Enrollment Program:** a new appropriation of \$600,000 to allow high school students to enroll in community college classes during the summer months under an agreement between the school district and the community college.

- **Computer Science PD:** a new appropriation of \$500,000 for the Computer Science Professional Development Incentive Fund. SF 274 Computer Science Act created this program last year. The funds will be used for professional development and compensation for teachers seeking a new computer science endorsement. Senate File 274 was approved by the General Assembly on April 18, 2017, and signed by the Governor on April 28, 2017.
- **Jobs for America's Graduates:** an increase of \$1.0 million for iJAG and language allowing iJAG to work with middle school students in addition to high school students.
- **DE Early Warning System:** an increase of \$1.9 million for the DE to administer and distribute the System to school districts and accredited nonpublic schools. The bill requires the DE to provide reading assessments for PK-6 to detect students not proficient in reading. Local school districts use universal screening and progress monitoring assessments, and store student performance data on a statewide database. Currently, the DE provides the assessments at no cost to schools. This language allows the DE to charge school districts a fee for the cost of the assessment, which school districts may pay out of Early Intervention funds or other funds. The fee is determined by dividing the remaining costs to purchase the statewide license for the school year by the number of students assessed under the system in the current fiscal year.
- **Early Literacy:**
 - The bill continues the \$7.8 million appropriation for the Successful Progression for Early Readers.
 - An increase of \$345,000 compared to estimated net FY 2018 to support the Reading Research Center's programming, which is disseminated to school districts. The funding increase will be used for the development of the Early Literacy Blueprint Initiative, which will build on the initial modules the IRRC created to improve K-3 teachers' knowledge of effective literacy practices and strengthen instructional skills to implement them.
- **Community Colleges:** an increase of \$2.0 million for Community Colleges compared to the adjusted FY 2018 appropriation.
- **STEM:** an appropriation of \$5.0 million to the UNI for the Science, Technology, Engineering, and Mathematics (STEM) Collaborative Initiative. This is the current level of funding and FTE positions compared to estimated net FY 2018.
- **ECI:** an increase of \$54,000 to Early Childhood Iowa which restores them to the FY 2018 level.
- **SATQ:** an increase of \$50,000 to the Student Achievement Teacher Quality Program (for Career Development/Evaluator Training and Teacher development academies)
- **High Needs Schools:** delays the \$10 million allocation of SATQ funds to implement High Needs Schools Grants until FY 2020.
- **Financial Literacy Mandate corrections:** modifies provisions enacted under Division VII of Senate File 475 (FY 2018 Education Omnibus Act), allowing the personal finance literacy credit required for graduation to count as a half unit of social studies or other combination of coursework otherwise required in Iowa Code 256.11. The bill specifies that counting it as a social studies course does not require the teacher providing instruction to be credentialed as a social studies teacher. The financial literacy mandate is effective July 1, 2019. Stay tuned for more information.
- **Online Learning corrections:** modifies provisions regarding online education enacted under Senate File 475 (FY 2018 Education Omnibus Act). Specifies that the online course

subject to the offer and teach waiver must be developed either by the school district or accredited nonpublic school staff or through a private provider that meets the standards of the Iowa Online Learning Initiative. The bill also requires online learning courses be taught by an Iowa licensed teacher.

- **Loan Forgiveness:** specifies that teacher shortage loan forgiveness program will not accept new applicants for FY 2019 but may continue serving eligible previous recipients.

HF 2502 Standing Appropriations: this bill provides for changes to ongoing, or “standing” appropriations that would automatically continue but for some legislative action. The bill sets the state match for the instructional support program at zero (which has been done annually since the great recession eliminated the funding in FY 2011), continues the \$15 million cut to the AEAs (DE guidance explains that this cut is prorated based on the original reduction in 2003), and conforms PPEL statute to new law which requires lease-purchase agreements that exceed the bid thresholds go through a competitive bid process. HF 2253 signed by the Governor requires local governments to follow the competitive bid process for lease purchase, so this applies the language specifically to PPEL statute found in Iowa Code Chapter 298. The bill also added language from SF 2367 School District Residency for Military Children which allows students living on a military installation outside of the state to attend school in a county in Iowa contiguous to the military installation. The bill specifies that parents are responsible to transport students to a regular school bus route. The students would be counted in resident enrollment in the district they attend for purposes of state foundation aid. UEN monitored this legislation.

HF 2230 SSA: this bill sets the FY 2019 state cost per pupil increase known as state supplemental assistance at 1%, including an increase of 1% for categorical funds, and continues the practice of the state assuming what would otherwise be the property tax contribution to SSA growth. The 1% is estimated to provide \$32 million in state funds, assuming continuation of the \$15 million cut to AEAs. Find the impact of 1% on your school district with the ISFIS [FY2018 New Authority Report](#). Statewide impact on schools:

- Sets a state cost per pupil of \$6,731, which is an increase of \$67 per student. This amount provides real new money to 230 Iowa school districts, but subjects 180 school districts to the 101% budget guarantee. With the \$5 per pupil formula equality from SF 455, there will be 178 districts on budget guarantee.
- 103 districts will experience a net reduction in funds available compared to FY 2018.
- The property tax relief payment (the amount that would be paid by property taxes if the normal working of the formula was not interrupted) costs the state \$91 per student for a total of \$52 million.

UEN is registered as undecided on this level of funding, with school leaders grateful to have been spared in the deappropriations process this year, but remains concerned that continued consecutive years of low funding increases are disappointing and more difficult to implement every year.

SF 455 Formula and Transportation Equity: this bill was signed by the Governor at UEN/UEN member school district of Davenport, Central High School. This bill is the culmination of collaborative work from many different stakeholders and education advocacy groups building urgency for solving these critical inequities, but just the beginning of creating equity. The bill provides \$11.2 million in grants (miscellaneous income) to school districts with the highest transportation costs per pupil enrolled. Although UEN schools do not benefit from this assistance, UEN leaders recognize this inequity is significant for students in those districts most disadvantaged. The bill also embeds \$5 per pupil in the formula to increase the base of the state

cost per pupil. Committee chairs explained during the debate of the bill their intention to continue to address these inequities in the future. This action permanently closes the formula equality gap to \$170. The bill does not set up a process or phase in period for closing the remaining \$170 equity gap. UEN supported the original version of this bill, which included a 10-year phase-in of transportation assistance for all districts and elimination of the formula inequity gap. UEN encourages advocates to work with legislators in the future to build on this year's down payment on student equity. The Senate passed the bill 45-4; the House passed the bill as 92-5. The Governor has signed it.

SF 2311 Utility Regulation: this bill strikes requirements for municipal utilities for filing energy efficiency plans, among other things. The bill:

- Eliminates the requirement that municipal utilities have a preference for renewables in energy efficiency plans.
- Requires approval from the Iowa Utilities Board (IUB) for automatic rate adjustments or new charges and approval for the filed rate schedule before raising rates to recover energy and transmission costs.
- ***Allows consumer opt-outs from the energy efficiency program.***
- Allows utilities to request an energy efficiency modification plan.
- Requires utilities to file a five-year energy efficiency/demand response plan.
- Includes provisions on making recovery for energy efficiency reasonably comparable for customers.
- Includes exemptions from plans for utilities meeting certain criteria.
- Caps energy efficiency spending (1.5% for gas and 2%).
- Requires the IUB to approve rate-regulated utilities refund schedules due to federal tax cuts.
- Makes changes related to IUB determinations of actual costs and revenues and that those determinations are reasonably consistent with the rates that are approved.
- Makes changes to timelines for review/approval of various rates and requests.

UEN had concerns about the bill as energy efficiency investments including rebates have helped school districts to implement energy efficiency programs and save scarce general fund dollars. The bill was approved in the House 52:42, and in the Senate 28:20. The Governor signed it.

SF 2400 Library Risk Pools: this bill was written to allow libraries to participate in local government risk pools that already included local authority for school districts to participate, but also modified the definition of local government risks pools which may clarify opportunities for local collaboration beneficial to schools. Iowa Code 670.7 (1) is amended as follows (new language inserted is underlined):

"The governing body of a municipality may adopt a self-insurance program, including but not limited to the investigation and defense of claims, the establishment of a reserve fund for claims, the payment of claims, and the administration and management of the self-insurance program, to cover all or any part of the liability. The governing body of a municipality may join and pay funds into a local government risk pool to protect itself the municipality against any or all liability, loss of property, or any other risk associated with the operation of the municipality. The governing body of a municipality may enter into insurance agreements obligating the municipality to make payments beyond its current budget year to provide or procure the policies of insurance, self-insurance program, or local government risk pool. The premium costs of the insurance, the costs of a self-insurance program, the costs of a local government risk pool, and the amounts payable under the insurance agreements may be paid out of the general fund or any available funds or may be levied in excess of any tax limitation imposed by statute. However, for school districts, the costs shall be included in the district management levy as provided in section 296.7 if the district has certified a district management levy. If the district has not certified a district management levy, the cost shall be paid from the general fund."

UEN was registered as undecided on the bill, which was approved in both the House and Senate with zero "no" votes and signed by the Governor.

HF 648 CTE Technical Correction: this bill restores a deleted reference to the Career and Technical Education Opportunities and Partnerships, adds a reference to private schools and deems certain income received by schools under the Career & Technical education planning as miscellaneous income. Most importantly, the bill changes the current requirement that funds must reimburse expenditures and instead allows a partnership to purchase certain consumable school supplies and is effective on enactment. The DE's guidance states, *"Going forward, these funds will be distributed to each Regional Planning Partnership (RPP) at the beginning of the fiscal year. Release of funds will be contingent upon the approval of the RPP's multi-hear plan, which must include a detailed plan of how the funds will be spent."* House passed it 98-0, the Senate passed it 47-0 and now the Governor has signed it. UEN supported the bill.

HF 2442 High School Collision Sports: UEN registered undecided on this bill, which passed the House 96-2, the Senate 46-0, and is signed by the Governor, and includes the following:

- **Training and Information:** requires the DPH and the HS associations to develop training materials on concussions/BI. Requires coaches and referees to complete such training every two years. Requires the extracurricular contest officials to have registered with the HS associations. Requires districts to provide concussion information sheets to the parents of all 7-12 students and a signed form must be returned for participation in certain activities.
- **Policy:** requires school boards to adopt a policy regarding removal from a contest for concussion/BI incidence and a Return-to-Learn plan based on guidance by the Brain Injury Association of America, in cooperation with the student's parents and health care provider, by July 1, 2019. Adds Emergency Medical Services workers as allowable for being at the game. Effective for the 2018 school year. Requires the development of return to play/return to learn protocols. Includes provisions on required protective gear.
- **Action required:** requires a student to be removed from an extracurricular contest if the student shows any sign of brain injury. Defines the extracurricular contests as those sponsored by the HS associations and identified as contact/limited contact by the American Academy of Pediatrics. Requires districts to have a licensed healthcare provider at athletic contests, including EMS workers, and includes provisions for continuing the contest if the provider cannot be there. students with concussion are excluded from all defined activities, not just the one in which they were injured, until they are cleared by a health care professional, and prohibits a student from participating in a new activity until cleared
- **Liability:** provides liability protections for schools that have a licensed health care provider at contests and for the HC provider. Clarifies that liability protection continues if the district follows protocols, even if the healthcare professional does not make it to the game, as long as there is a prearranged agreement with the school district that the healthcare professional was supposed to be there and the reason they missed the game is documentable.

Although originally registered as opposed to the bill, several changes made during the process providing flexibility of health care providers and liability protections moved UEN to a position of undecided.

SF 2155 Local Operating Funds: This bill allows local governments to invest operating funds which are 33% in excess of what is needed in CD's that mature in 63 months and meet interest guidelines. Passed by the Senate 47-0, by the House 100-0 and signed by the Governor. UEN monitored this bill.

HF 2467 School Meal Debt: this bill makes changes to school district handling of unpaid school lunch debt. The bill allows districts to use set off procedures (a process other local governments have used with the Iowa Department of Revenue involving capture of income tax refunds from individuals who owe the local government money.) The bill specifies that this doesn't prohibit districts from using any other methods of collecting debt. This provision is retroactive to July 1, 2017. The following provisions are effective July 1, 2018:

- Sets out some mandates and permissive opportunities that school lunch programs need to follow or may consider (shalls, mays and prohibitions detailed below)
- Prohibits some actions that stigmatize students
- Allows districts to create a new unpaid student meal account that is a sub account of the school nutrition fund, allows deposits of private funds into the account and allows transfer of Flexibility Funds in the account. Specifies that these funds may only be used to pay for student meal debt (not pizza parties for staff, which was cited as an example of district bad behavior.) Requires the district to set fair and equitable procedures for such expenditures. *Districts may have to revisit school board or administrative policies updated last year based on federal requirements*

The bill was passed by the Senate on April 3, 48-0 and the House on April 9, 96-0, and signed by the Governor. UEN was originally opposed but changed our registration to undecided with several improvements made to the bill.

Shalls and Mays: the district

- 1) shall provide notice to parents at least 2X annually of the application process for FRPL
- 2) if the student is past due for 5 or more lunches, the district may notify the parents again
- 3) is encouraged to provide a reimbursable meal (not just a PB & J in a sack) unless the parents provide written direction to withhold the meal
- 4) shall direct communications to the parent but may discreetly provide info about the meal account to the student as long as the communication with the student does not identify the student to others.
- 5) may establish an unpaid student meals account in the school nutrition fund and may deposit in the account money from private sources as well as amounts designated from the district's Flexibility Account. Moneys in that unpaid meals account may only be used to pay for unpaid student meal debt.

Prohibitions: the district shall not

- 1) post a list of students who owe money
- 2) publicly identify or stigmatize the student (says you can't make them sit at a table set aside for such purpose and can't discard a meal after it's been served)
- 3) require the student to wear a wrist band, hand stamp, identification marks, or do chores or other work to pay for the meals
- 4) deny participation in an afterschool program or extracurricular activity
- 5) provide an alternative meal that is only offered to a student who has accrued meal debt. If there's an option for an alternative meal, it must also be available to other students who request it so as not to identify the student owing money.

SF 475 Omnibus Education Provisions: this bill includes the following provisions:

- **Online learning:** lifts the open enrollment cap on the online academies, but allows local school districts the authority to offer online coursework locally. Requires DE to approved private vendors. Requires content aligned to Iowa core standards. Prohibits online providers/schools from offering any payment to parents. Requires online courses to be taught by Iowa licensed teachers but specifies (as amended in the appropriations bills) that Iowa licensed teachers need not live in Iowa. Also allows a student enrolled in one of the online academies to participate in their district of residence activities, with the district ability to withhold up to \$200 per activity for no more than 2 activities per semester. Students may participate in more activities at parent expense.
- **Concurrent enrollment CTE exemption:** allows districts to work with community colleges in offering CTE courses to students and have those courses meet offer and teach requirements, only if there is difficulty in finding a qualified teacher. Districts with fewer than 600 students enrolled may continue to receive supplementary weighting for those courses if more than 5 students participate in the class. This provision was requested by UEN.
- **DE guidance:** if not required in Iowa Code, federal law and court rulings, guidance is deemed to be advisory and not binding.
- **Health screenings work group:** to examine and report on the impact of vision and dental screenings, making recommendations to minimize the administrative burden on schools.
- **Seal of bi-literacy:** to be developed by DE and voluntary for school districts to participate.
- **½ Unit of Financial Literacy:** required it for high school graduation (added via House amendment during floor debate.) The bill requires all students, beginning with the graduating class of 2020, to complete one-half unit of financial literacy as a high school graduation requirement and specifies the minimum curriculum requirements of the course. The DE's 2018 Legislative Letter to the Field states they will provide additional guidance. Because of the timing of this amendment, this mandate was never considered by an Education Committee in either the House or Senate. Although clarifications were made in the Education Appropriations bill, SF 2418 detailed above, there are still issues about implementation that require attention. For example, if the effective date is July 1, 2019 and applies to all high school graduates rather than incoming freshmen (9th graders in the 2019-20 school year), it will have to be taught to seniors creating some schedule challenges and inconsistencies with college and career planning.

The bill was passed by the House on March 22, 56-39 and the Senate on April 2, 28-19. Now signed by the Governor. UEN was in support of the district authority for online learning provisions, but registered specifically opposed to the financial literacy mandate.

SF 2318 High School Credit: this bill requires that a student who receives high school credit in an accredited Iowa school be granted that credit in a new Iowa school they attend unless the course does not meet the requirements of the school of enrollment or if the student does not show proficiency in the coursework. The bill also requires the school denying the credits to notify the parents in writing why the credit was denied. The House amended and approved the bill, 99-0. The Senate concurred with the House amendment, 47-0, and it was signed by the Governor. UEN is registered in support.

SF 2360 Dyslexia Task Force: this bill requires DE to convene a task force and specifies the membership of the task force. It requires the task force to study an overview of the symptoms and effects of dyslexia, the current practices in Iowa schools, description of current concerns, recommendation of any proposed legislation or rulemaking, additional personnel or funding needed, recommendations related to dyslexia response for stakeholder groups, and suggested timeline for implementation. The Task Force is required to submit the report by November 2019. It

was passed by the House, 97-0 and the Senate concurred, 47:0. The Governor signed it. UEN is registered as undecided.

SF 2364 School Security Plans: the DE's [annual legislative letter to the field](#), June 6, 2018, describes the bill and next steps in support of local implementation:

The bill requires all public and accredited nonpublic schools to develop a high-quality emergency operations plan for the district and individual school buildings. The plan needs to be completed no later than June 30, 2019, and must be reviewed and updated annually by local school boards. The plan needs to include responses to active shooter scenarios and natural disasters.

While the plan must include publication of procedures for school personnel, parents, and guardians to report possible threats to the safety of students or school personnel on school grounds or at school activities, the plan itself must remain confidential and is not considered a public record under Iowa's open records law.

All public and accredited nonpublic schools need to conduct drills at least once per year, which may include a table top exercise, walk-through, partial drill, or full drill. All public and accredited nonpublic schools are also required to determine which school personnel participate in the drill and whether students or local law enforcement agencies are participants in those drills.

In addition, public and accredited nonpublic schools should consider recommendations from the Department and consult local law enforcement and emergency management coordinators as they develop and implement their emergency operations plan.

The Department will work with the AEAs to provide training and support to schools in developing emergency operations plans.

The House concurred with the Senate amendment, which gave local districts more flexibility with conducting emergency drills, approving the bill 100-0, and the Governor signed it. UEN was undecided on the bill. The DE's web page with planning resources and training for school safety is found here: <https://educateiowa.gov/pk-12/school-facilities/safety-and-accessibility/emergency-operations-planning>

HF 2441 Education Flexibility: this bill provides additional local school district flexibility in several areas, including:

- **Early Intervention Class Size:** allows early intervention class size supplement per pupil may be used for any general fund purpose (meanwhile, the Iowa Code chapter 256D which directed early intervention and class size expenditures for specific purposes was allowed to sunset June 30, 2018.)
- **Dropout Prevention Process Changes:** removes DE from DoP application approval and

creates a process with aligned timing for the SBRC to approved requests for modified supplemental amount to fund dropout prevention. School boards requesting to use a modified supplemental amount (MSA) must approve, by resolution, comprehensive program plans for the programs and budget costs. The request for MSA will be submitted to the School Budget Review Committee (SBRC), rather than the DE, by Jan. 15 of the year preceding the budget year during which the program will be offered. The SBRC is required to approve the request, provided the amount requested does not exceed the statutory limitation, minus any funds for the adopted program carried forward from the year prior to the base year.

- **New Dropout Prevention Expenditure Flexibility:** dropout prevention/at-risk plans adopted for budget year beginning July 1, 2019 included the following expenditure flexibility, including administrative staff, psychologists, social workers, and mental health counselors working with the adopted program or students participating in the adopted program, any purpose determined by the board that directly benefits students in the adopted program, and school security personnel costs.
- **Athletic Equipment Transfers:** allows reconditioning of athletic equipment from a general fund transfer to the student activities fund.
- **Home School Assistance Flexibility:** allows materials purchased for HSAP to be used elsewhere in the district as long as HSAP students still have access.
- **Child Care Enterprise Transfers:** allows excess afterschool funding (typically included in the enterprise child care fund) to be transferred to the flexibility fund after a public hearing.
- **DE Limitations:** prohibits DE and the State BOE from issuing guidance that imposes a legal obligation unless that obligation is required or implied by law.
- **District Authority to Lease Property:** repeals the limitation that school boards may not lease school property to an entity beyond five years (requested by UEN)
- **Property Taxes on Leased Property:** exempts private property or equipment leased as part of a project designed to generate electricity for the school district (requested by UEN).

The Senate amended the bill, approved it 47:0. The House agreed with the Senate amendment and approved the bill, 99:0, sending it to the Governor. The Governor signed it. UEN supports it. *See templates of board resolutions to transfer funds to the Flexibility Fund at the end of this Digest.*

SF 481 Sanctuary Cities: this bill requires local governments (cities and counties) to cooperate with the enforcement of immigration laws and provides penalties and remedies, including the denial of state funds to certain entities. Schools are not expressly included nor are they excluded from this bill. The Fiscal Note written by LSA staff posed some questions as to whether schools might be impacted. Based on that uncertainty, UEN registered opposed to the bill. The House approved it on April 3, 55-45 and the Iowa Senate on April 4, 28-18. The Governor signed it.

SF 2131 Iowa Learning Online (ILO) initiative: this bill expands the ILO to include students receiving independent private instruction, competent private instruction, or private instruction (all variations of home school) or a student attending a non-accredited private school. The bill requires that parents pay fees for the class. The bill also directs the AEAS, in collaboration with the community colleges and the DE, to convene an online learning working group. The group is to identify effective means by which students may access educational instruction and content online and identify partnerships between existing providers of rigorous and high-quality online coursework. The group is required to submit its findings to the General Assembly by Oct. 15, 2018. This bill passed the House on Feb. 27, 60-39 and the Senate, 50-0. UEN is registered as undecided.

HF 2235 State Mandated Assessment: this bill requires the DE and State BOE to work with Iowa Testing for our statewide assessment of student progress for purposes of core academic indicators. this bill mandates use of Iowa Tests (next iteration, so Next Generation test) for our state assessment. The bill was amended and approved by the Senate, on a vote of 33:16. The House concurred in the Senate Amendment, 86 in favor and 13 opposed, sending it to the Governor. UEN opposed this bill, concerned that the Next Generation Iowa Tests have not yet been confirmed to align to Iowa Core standards. Without such alignment, Iowa's state ESSA plan is at risk of failing peer review, placing \$96 million in Title I funds on the line. However, the Senate amendment did restore provisions of SF 240 RFP requirements for summative assessment in the school year beginning July 1, 2018, requiring the Iowa Tests to:

- Assess mathematics and English Language Arts for grades 3-11, including reading and writing, and science for all students in grades 5, 8, and 10, in the last quarter of the school year.
- Assess the Iowa Core standards in both content and rigor
- Accurately describe student achievement and growth for school, district and state accountability systems
- Provide valid, reliable and fair measures of student progress toward college and career readiness
- Meet the summative assessment requirements of ESSA
- Be available for both computer and pencil/paper formats (math, science, ELA – both reading and writing) but does not require a computer adaptive test.
- Requires peer review by an independent third-party evaluator to confirm alignment and the ability to meet the above requirements
- Requires Iowa Testing to make any adjustments necessary to meet the requirements if peer review finds the tests lacking.

Although the amendment improved the bill, UEN remained opposed. Education leaders are skeptical of alignment claims, concerned about further delay, and upset at the whole process which disrespected the professional educators who volunteered their time and expertise in selecting an assessment based on the needs of Iowa students.

HF 2458 Future Ready Iowa: the bill was created to strengthen workforce development by establishing a registered apprenticeship development program, a volunteer mentoring program, a summer youth intern program, summer postsecondary courses for high school students that are aligned with high-demand career pathways, an employer innovation fund, and future ready Iowa skilled workforce scholarship and grant program and fund. The bill was approved 98:0 in the House and 47:0 in the Senate, and the Governor signed it. UEN was registered as undecided.

The details of the bill were described in the DE's annual legislative letter to the field dated June 6, 2018: "The goal of Future Ready Iowa is for 70% of Iowa's workforce to have education or training beyond high school by the year 2025, up from the current 58%. The Future Ready Iowa Alliance, created through Executive Order 88, was charged with recommending a strategic plan to accomplish the 70% goal. The final Alliance recommendations can be found here. The 2018 Legislature adopted many of those recommendations in House File 2458, the Future Ready Iowa Act, and Senate File 2415, the education appropriations bill.

The Legislature provided Future Ready Iowa funding in FY 2019 for the following:

- Expands **Registered Apprenticeship Opportunities** in Iowa – The new Registered Apprenticeship Development Program will encourage small to mid-size businesses, as well as high schools and community colleges, to start or expand Registered Apprenticeship programs. Appropriation: \$1 million
- Launches the **Iowa Virtual Clearinghouse for Work-Based Learning** – The clearinghouse will better connect kindergarten through twelfth grade classrooms to future careers through online school-business, project-based partnerships. It will also compile an inventory of existing work-based learning opportunities, and serve as a one-stop shop to help Iowans find those programs. Appropriation: \$250,000
- Begins a **Summer Youth Intern Pilot Program** – This program will help young people at risk of not graduating from high school explore and prepare for high-demand careers through summer work experiences. Iowa Workforce Development will administer this program. Appropriation: \$250,000
- Begins a **Summer Joint Enrollment Program** – This program will make it possible for students to earn high school and college credit in summer courses related to high-demand fields. Appropriation: \$600,000
- Expands **Iowa Jobs for America's Graduates (iJAG)** – This will help more middle schools and high schools provide direct services by iJAG specialists to at-risk students. Appropriation: \$1 million

The 2018 Legislature also passed the following Future Ready Iowa policy with the expectation that it will be funded in FY2020:

- **Future Ready Iowa Skilled Workforce Last-Dollar Scholarship Program** – This program will help pay tuition for Iowans who are new high school graduates or adult learners seeking postsecondary credentials up to associate degrees in approved programs of study leading to designated high-demand jobs.
- **Future Ready Iowa Skilled Workforce Grant Program** – This program will provide an annual stipend for Iowans with at least half the credits toward a bachelor's degree in approved programs of study or majors leading to designated high-demand jobs. The recipient cannot have enrolled in postsecondary education for the previous two years.
- **Volunteer Mentoring Program** – This program establishes a volunteer mentoring program to support students participating in the Future Ready Iowa Skilled Workforce Last-Dollar Scholarship and the Future Ready Iowa Skilled Workforce Grant Programs.
- **Iowa Employer Innovative Program** – The program will expand opportunities for credit and noncredit education and training leading to high-demand jobs by providing state matching funds for innovative proposals to strengthen the regional workforce talent pipeline. Employers and other community partners may collaborate in a variety of ways.

[HF 2343](#) Executive Branch Rules Limitation: this bill prohibits state agencies from implementing or enforcing any standard, requirement, or threshold without clear authorization (**Rules Limitation**). This bill passed the House, 95-2 and the Senate, 46-3. UEN was registered in support.

[HF 2354](#) Student Internet Privacy: this bill prohibits vendors from using student information for any purposes other than educational, such as targeted marketing. This bill passed the House, 95-0 and the Senate, 49-0. The bill was signed by the Governor. UEN was registered as undecided.

HF 2283 Expiration of New Teacher License: this bill, proposed by the Board of Education Examiners, ties the expiration date of a beginning teacher to the end of the school year rather than the teacher's birthday. UEN is registered in support. The bill was signed by the Governor.

HF 2196 Prohibition of Texting: this bill prohibits a driver from texting while operating a commercial vehicle. UEN is not registered on this bill. The bill was signed by the Governor.

HF 2456 Mental Health Services: although not specific to schools, this bill relates to mental health services including behavior health, including involuntary commitments and hospitalizations provisions, the disclosure of mental health information to law enforcement professionals and mental health and disability services which ultimately impact staff, students and their families. The bill changes procedures involving involuntary commitments, including on dismissal of actions, on disclosures of MH information by MH professionals to law enforcement to prevent or lessen threats to health and safety, and on Mental Health and Disability Services region reporting. Includes provisions on oral and injectable drugs and on the use of video conferences. The bill requires the state MH/DS Commission to have rules on assertive community treatment teams, access centers and intensive residential services. It requires any matching federal funds under the Iowa Health & Wellness Plan to be made available, with service requirements across the state. The bill requires DHS to work with other agencies and stakeholders to review ways to increase the efficiency and utility of MH/DS services and requires a report by November 30, 2018.

The fiscal note projects that the bill will increase the use of crisis and subacute services and the utilization of intensive residential services and estimates the cost at \$876,000 in FY 2019 and \$6 million in FY 2020 from the state General Fund and an estimated cost to the regions of \$4.3 million in FY 2019 and \$10 million in FY 2020. This bill was approved unanimously in both the House and the Senate and signed by the Governor. UEN was not registered on this bill but UEN members are very interested in the expansion of mental health services to serve the needs of students and their families.

SF 2113 Suicide Prevention Training: this bill requires school employee training and protocols relating to suicide prevention and the identification of adverse childhood experiences and strategies to mitigate toxic stress response. The bill requires the state board of education to adopt rules requiring school boards to require such training for K-12 school personnel having contact with students. It includes requirements for evidence-based, best practices and one hour of training annually. The training requirements are effective July 1, 2019. This bill was approved unanimously in both the House and the Senate and signed by the Governor. UEN was registered in favor of the bill.

SF 2274 Education Data Collection: this bill requires the DE to provide citations of state or federal law or rule that requires certain information be collected from schools for reporting purposes, when notifying schools, AEAs, private schools, school employees and officials, that data is being collected. Senate passed it 37-11, House passed it 92-5, and the Governor signed it. UEN was registered in support.

SF 2114 DE Technical Code Corrections: this bill makes language corrections and strikes obsolete provisions. One of those obsolete provisions was an NCLB requirement that Iowa schools include additional local assessments of core indicators in math, reading and science, and report progress to their communities and the state. With the change in Iowa's plan to comply with the federal Every Student Succeeds Act (ESSA), this provision is deleted. The Senate passed it 48-0, the House 97-0. The Governor signed the bill. UEN was registered in support.

[HF 2253 Lease Purchase Bids](#): this bill requires construction projects and improvements that are built by a private contractor under a lease or lease-purchase contract with state or local governments (including schools, regents universities, cities, counties and community colleges) be subject to competitive bidding requirements. The bill defines a public improvement as one that has been paid for by a government or there is a government commitment to pay. The bill was approved in the Senate 27:20 and in the House 59:41. The bill was signed by the Governor. UEN monitored this legislation.

[HF 2390 World Languages](#): this bill changes references from “foreign language” to “world language” in the Iowa Code and includes American Sign Language as a world language. The House passed it bill 98-0. The Senate passed the bill 47-0, and the Governor signed it. UEN supported it.

[HF 2240 Electronic Wage Statements](#): this bill allows employers to provide electronic wage statements to employees. The House passed the bill 98:0, the Senate agreed 47:2. This bill was signed by the Governor. UEN did not register or lobby on this bill.

[HF 2252 Secretary of State Elections](#): although this bill addresses many election issues not impacting schools, one provision is technical cleanup regarding the December special election, changing the date from the first to the second Tuesday in December of the even-numbered year. This is to avoid conflict with other local special elections. The House passed it bill 58:40. The Senate passed the bill 41:6, and the Governor signed it on May 6. UEN was undecided on the bill.

Near Misses and Concerns

[SSB 3206 Vouchers](#): this bill was considered in a subcommittee of the Senate Appropriations Committee late in the session, with Sens. Chelgren and Rozenboom recommending it move forward and Sen. Danielson opposing the recommendation. The bill did not receive consideration in the full Senate Appropriations Committee. The bill does the following:

- Requires DOM to write rules to administer the program
- Creates an education savings account for each eligible student that applies by Jan. 15 in the prior year, equal to 60% of the regular program state cost per pupil, which is \$4,039 in FY 2019 based on the 1% SSA set in HF 2230.
- Limits eligibility to incoming kindergarteners or students who have attended a public school for the previous two semesters, and allows prior ESA recipients to apply again. Funds remaining in the account may be used for higher education expenses in an Iowa college or university, until the student reaches 25.
- Requires that if a student is expelled from the nonpublic school, both the nonpublic school and the parent must report the expulsion and the parent is required to repay the voucher amount to the DOM, unless the student relocates residence to another community and enrolls in another nonpublic school.
- Does not require the nonpublic school to change admission processes, to admit all students, and specifically states that the bill is not intended to put demands on nonpublic schools to comply with any state requirements.

[HSB 651](#) was a similar bill assigned to the House Education Committee. Although the subcommittee of Representatives Rogers, Wheeler, Jones, Mascher and Nielson approved the bill

with the three Republicans recommending Committee Consideration and the two democrats not voting to support recommendation, the bill was not debated in the full Education Committee.

See the UEN position paper on School Choice for background and talking points, found later in this Digest. UEN was opposed to both bills.

[HSB 678 Commercial and Industrial Property Tax Backfill Phase-out](#): this bill reduces the \$152 million appropriation to local government to hold them harmless for C&I property tax relief which began in FY 2014. The bill caps the FY 2019 appropriation at \$100 million, FY 2020 at \$75 million, FY 2021 at \$50 million and then leaves the total at \$25 million in FY 2022 and beyond. For school districts, reducing this appropriation does not impact spending authority but does require additional property tax to fund the authority. UEN is registered as undecided.

- For comparison purposes, the Senate version [SF 2081](#), also phases out the commercial and industrial property tax hold harmless, but actually goes a little further than the House version. The Senate uses a three-year phase out and completely eliminates the state appropriation by the end of the phase out period. In districts with low property value supporting each student, there may be greater concerns about the impact on the property tax rate as a result of either of these proposals.
- Several versions were discussed throughout the session, including a late version still in play during the final week of Session, but did not advance.

[HF 2369 Limited Bond Election Dates](#): this bill requires that elections to authorize bonds or local option taxes be held on the first Tuesday after the first Monday in November. It is effective for elections after January 2019. The Senate State Government Committee approved the bill. As this would restrict when schools could hold elections regarding bonding, likely bidding up construction costs, UEN was opposed. The bill died on the Senate Calendar.

[SF 2359 Diversity Plans](#): this bill prohibits school districts with diversity plans from regulating open enrollment out of the district. There are five districts with voluntary diversity plans that currently have the authority to regulate open enrollment to preserve as much as possible the current demographic mix in the district. Those districts are Des Moines, Davenport, Waterloo, Postville and West Liberty. UEN was opposed. The bill died due to failure to progress beyond the funnel deadline, as the full Senate never debated it.

[SF 2315 Open Enrollment](#): this bill specifies which funds would follow the student, including categorical funds, but maintains local property taxes from the \$5.40 uniform levy in the district of residence. The bill is in the Senate Appropriations Committee and was assigned a subcommittee of Senators Schneider, Danielson, and Greene. The subcommittee met in late March, learned more about the complicated nature of school finance, and determined that the bill should move through the Education Committee, so the bill did not move further in the 2018 Session. UEN registered as undecided on this bill. Other bills proposed in the House, such as HF 154 which is a companion bill to SF 2315, HF 49 which would require SAVE funds to follow open enrollment, and HSB630 which would have many state and federal categorical funds follow the student open enrolling to another district, indicate that this topic of fairness in funding related to open enrollment, which has varied opinions on the solution, is going to be a continued topic of conversation.

[SF 2341 Civics Test](#): this bill requires that Iowa students pass the civics test used for citizenship as a condition of graduation from an Iowa High School. The bill mandates that a student correctly answer at least 60% of the 100 questions required. The mandate applies to both public and private schools. Students may start taking the test annually in 7th grade. The bill further requires that the test taking be proctored, but there is no source of revenue to pay for the additional staff

time to proctor the test. The bill was approved in the Senate 38:12, but died due to lack of clearing the funnel deadline in the House Education Committee. UEN opposed this bill.

SF 321 Boundary Changes: this bill specifies procedures for boundary changes involving the severance from and attachment of territory to a school district by petition and election. UEN is opposed. The bill died in the Senate Education Committee.

Priorities Pending

HF 2280 Praxis Tests: this bill eliminates the requirement that a teacher score on the praxis test above the 25th percentile in order to be an Iowa licensed teacher. The bill applies retroactively to 2013, the first year that the Praxis requirement was in effect. UEN registered in support of the House bill. The Senate Education Committee approved the bill and stated their intention to amend it to the Senate version, which would create a one-year waiver for a teacher with an Iowa job to pass the Praxis and a change to a cut score rather than a percentile ranking. UEN registered in support of this version as well. The bill did not move out of the Senate and no compromise between the two versions was approved.

HF 2481, (formerly **HF 2438**) and **SF 2393 SAVE Extension:** UEN supports the extension of the state penny for another 20 years and appreciates the collaborative process that achieved 95 votes in support in the Iowa House. The UEN position paper with talking points about school security and property tax relief is posted on the UEN web site [here](#). UEN is registered in favor of these bills and supports the House version approved on April 10, 2018. A complete annotated version of the bill is detailed following this summary. The bill, as amended:

- **Extends State Penny to Jan. 1, 2050**
- **Property tax equity/relief.** Transfers to these two funds increase over time if the SAVE fund grows by a certain percent:
 - The Property Tax Equity and Relief Fund (PTER) (currently at 2.1%) gets 2/3ds of the transfer. This brings tax rates in districts with the highest additional levies in the state down closer to the average.
 - A new Foundation Based Percentage Fund (FBPF) gets 1/3 of the transfer amount, raising the foundation percentage so all property tax payers get some reduction.
 - Total for PTER and FBPF combined is capped at 12% once fully phased in.
- **Creates a new Career Academy Fund**, with \$1.0 million in FY 2019, which then grows up to \$5 million annually if SAVE grows.
 - DE controls the fund, which allows for competitive grants not to exceed \$1 million, to school corporations for career academy infrastructure, equipment or both.
 - First priority for grants is to new academies with 3 or more districts collaborating.
 - Second priority is for expanding and updating existing facilities and infrastructure.
- **Revenue Purpose Statement Sunset:** Requires existing RPS to expire the earlier of Jan. 1, 2030 or the expiration date in the RPS (UEN requested this provision)
- **Board submits a new RPS to voters**, either to use SAVE for new purposes or bond against the extended funding beyond 2030:
 - Prior RPS stays in force until it expires or is replaced
 - The district must state what happens if the RPS fails, both in the notice of publication of the election and on the district web site, which essentially states:

If a majority of eligible electors voting on the question fail to approve this RPS, revenues received by the school district from the SAVE fund shall first be expended for . . . (State the purposes in the order listed in subsection 1 for which the district is collecting property taxes, i.e., Debt Levy, Voted PPEL, Board Approved PPEL, PERL)

- Protects validity of bonds in place or other obligations or contracts in place prior to the expiration of the RPS.
- **Certificate of Need:** keeps the current threshold in place (certified enrollment fewer than 250 students in the district or 100 in high school) but adds two criteria to the CON decision that DE must consider; 1) Cost benefit analysis of remodeling, reconstructing or repairing existing buildings (instead of the infeasibility of the above) and 2) Benefits and effects of the new construction on student learning.
- **Athletic Facilities:** whether specified in the RPS or if the district doesn't have an RPS, the board must pass a resolution setting forth a proposal for athletic facility construction and must hold an additional public hearing on the proposal noticed in the newspaper with general circulation in the district not less than 10 nor more than 20 days before the hearing. After the public hearing, the district must wait 14 days for petition. The petition threshold is the greater of 100 or 30% of those voting in the last regular school election. The board may rescind or call for an election if a petition arises. If no petition comes forward, after 14 days, the board may proceed. The bill defines athletic facility as a building or structure not physically attached to a student attendance center.

HF 2481 SAVE Extension from the 2018 Session

The following is a section analysis of the Sales Tax Extension bill, as approved by 95 House members during the 2018 Session, with bill language on the left and translation/explanation on the right. If the bill changes current Code, you'll see deletions as a strike through and additions as an underline. If there is a new section of Code, it is not underlined, but is introduced as a NEW section.

There are places in the annotation for local thought about who could care about this provision that might be recruited to advocacy. For example, in the provisions on the foundation base property tax relief fund in the form of a foundation base supplement payment to each school district, a local farmer or Farm Bureau member, or a local business owner, might be interested in the benefits of that provision, willing to learn more about the proposal and helpful in connecting with local legislators about how that benefits your community and stakeholders.

Link to the bill <https://www.legis.iowa.gov/legislation/BillBook?ga=87&ba=hf2481>

Link to the Fiscal Note: <https://www.legis.iowa.gov/docs/publications/LGR/87/HF2481.pdf> Last page of the fiscal note showing fiscal impact is on page 11 of this document.

For additional information, questions or advocacy supports, please contact

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HF 2481 (LSB 5423HZ (4) 87)

HOUSE FILE 2481 BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2438)

(SUCCESSOR TO HSB 647)

A BILL FOR

An Act relating to school funding by modifying provisions relating to the collection of sales tax for deposit in the secure an advanced vision for education fund, provisions relating to the use of tax revenue from the secure an advanced vision for education fund, and provisions relating to the calculation of the additional property tax levy, and making appropriations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Bill Title HF 2481

This bill is in the form as amended and approved by the Iowa House on April 10, 2018, with 95 Representatives voting yes and 3 voting no.

Section 1. Section 257.2, subsection 8, Code 2018, is amended by adding the following new paragraph:

NEW PARAGRAPH. *e.* Foundation base supplement payments received under section 257.16C.

Sec. 2. Section 257.4, subsection 1, paragraph a, Code 2018, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (10) The amount of the foundation base supplement payment to be received by the school district under section 257.16C.

Sec. 3. Section 257.4, subsection 1, paragraph b, Code 2018, is amended to read as follows:

b. For the budget year beginning July 1, 2008, and succeeding budget years, the department of management shall annually determine an adjusted additional property tax levy and a statewide maximum adjusted additional property tax levy rate, not to exceed the statewide average additional property tax levy rate, calculated by dividing the total adjusted additional property tax levy dollars statewide by the statewide total net taxable valuation. For purposes of this paragraph, the adjusted additional property tax levy shall be that portion of the additional property tax levy corresponding to the state cost per pupil multiplied by a school district's weighted enrollment, and then multiplied by one hundred percent less the regular program foundation base per pupil percentage pursuant to section 257.1, and then reduced by the amount of the property tax replacement payment to be received under section 257.16B and the amount of the foundation base supplement payment to be received under section 257.16C. The district shall receive adjusted additional property tax levy aid in an amount equal to the difference between the adjusted additional property tax levy rate and the statewide maximum adjusted additional property tax levy rate, as applied per thousand dollars of assessed valuation on all taxable property in the district. The statewide maximum adjusted additional property tax levy rate shall be annually determined by the department taking into account amounts allocated pursuant to section 257.15, subsection 4, and the balance of the property tax equity and relief fund created in section 257.16A at the end of the calendar year.

Sec. 1 & 2 NEW accomplishes property tax relief to all districts through the new Foundation Base Supplement Payment.

Sec. 3: Includes Foundation Base Supplement Payment in DOM's calculation of the district's property tax rate.

Sec. 4. Section 257.15, subsection 4, paragraph b, Code 2018, is amended to read as follows:

b. After lowering all school district adjusted additional property tax levy rates to the statewide maximum adjusted additional property tax levy rate under paragraph “a”, the department of management shall use any remaining funds at the end of the calendar year to further lower additional property taxes by increasing for the budget year beginning the following July 1, the state regular program foundation base per pupil percentage under section 257.1. Moneys used pursuant to this paragraph shall supplant an equal amount of the appropriation made from the general fund of the state pursuant to section 257.16 that represents the increase in state foundation aid.

Sec. 5. NEW SECTION. 257.16C Foundation base supplement fund.

1. A foundation base supplement fund is created as a separate and distinct fund in the state treasury under the control of the department of management. Moneys in the fund include revenues credited to the fund, appropriations made to the fund, and other moneys deposited into the fund.

2. a. There is appropriated annually from the fund to the department of management an amount necessary to make all foundation base supplement payments under this section. The department of management shall calculate each school district’s foundation base supplement payment based on the distribution methodology under paragraph “b”.

b. The moneys available in a fiscal year in the foundation base supplement fund shall be distributed by the department of revenue to each school district on a per pupil basis calculated using each school district’s weighted enrollment, as defined in section 257.6, for that fiscal year. However, the amount of a school district’s foundation base supplement payment for a budget year shall not exceed an amount equal to the school district’s weighted enrollment for the budget year multiplied by the amount for the budget year calculated under section 257.16B, subsection 2, paragraph “f”, subparagraph (2), as enacted in 2018 Iowa Acts, House File 2230, §4, minus the amount of the school district’s property tax replacement payment under section 257.16B for the budget year.

3. Notwithstanding section 8.33, any moneys remaining in the

Sec. 4: after getting to average via PTER which lowers the highest levies in the state, the balance goes to regular program property tax relief via Foundation Base Supplement Payment.

Who could care _____

Sect. 5 NEW Creates a separate fund called the Foundation Base Supplement Fund.

This subsection describes the calculation: all money in the fund divided by weighted enrollment = the per pupil distribution.

Also keeps the total when combined with the PTER fund payment from exceeding the amount of property taxes the district would otherwise collect.

Who could care _____

foundation base supplement fund at the end of a fiscal year shall not revert to any other fund but shall remain in the foundation base supplement fund for use as provided in this section for the following fiscal year.

Sec. 6. NEW SECTION. **257.51 Career academy fund — grant program.**

1. A career academy fund is created and established as a separate and distinct fund in the state treasury under the control of the department of education.

2. *a.* In addition to moneys deposited in the career academy fund pursuant to section 423F.2, the department of education may accept gifts, grants, bequests, and other private contributions, as well as state or federal funds, and shall deposit the moneys in the fund to be used for purposes of this section. Moneys in the fund are appropriated to the department of education and shall be used for the purposes of this section.

b. Notwithstanding section 8.33, moneys in the fund that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes of this section in succeeding fiscal years. Notwithstanding section 12C.7, subsection 2, interest earned on moneys in the career academy fund shall be credited to the fund.

3. The department of education shall adopt rules to establish and administer a career academy grant program to provide for the allocation of money in the fund in the form of competitive grants, not to exceed one million dollars per grant, to school corporations for career academy infrastructure, career academy equipment, or both, in accordance with the goals of this section and to further the goals of the establishment and operation of career academies under section 258.15. The rules adopted by the department of education shall specify the eligibility of applicants and eligible items for grant funding. Priority for grants shall first be given to applications to establish new career academies that are organized as regional career and technical education planning partnerships pursuant to section 258.14 with three or more school districts. Subsequent priority shall be given to applications for expanding and updating existing facilities and infrastructure to serve as career academies.

Sec.5 continued: non- reversion language states that any money left in the fund stays there for the next year.

NEW: Sec. 6 creates a new Career Academy fund.

Allows appropriations into the fund and gifts, grants, bequests as well as other state or federal funds.

Non-reversion language.

Who could care _____

Sect 6 continued:

Requires DE to adopt rules for competitive grant program. Limits grants to school corporations to \$1.0 million max.

Grants are for career academy infrastructure, equipment or both.

Rules will define eligibility of applicants and items. Priority goes first to new career academies that are organized as regional CTE planning partnerships. Second priority to applications for expanding and updating infrastructure for existing facilities.

Sec. 7. Section 423.2, subsection 11, paragraph b, subparagraph (3), Code 2018, is amended to read as follows:

(3) Transfer one-sixth of the remaining revenues to the secure an advanced vision for education fund created in section 423F.2. This subparagraph (3) is repealed ~~December 31, 2029~~ January 1, 2050.

Sec. 8. Section 423.2, subsection 14, Code 2018, is amended to read as follows:

14. The sales tax rate of six percent is reduced to five percent on January 1, ~~2030~~ 2050.

Sec. 9. Section 423.5, subsection 5, Code 2018, is amended to read as follows:

5. The use tax rate of six percent is reduced to five percent on January 1, ~~2030~~ 2050.

Sec. 10. Section 423.43, subsection 1, paragraph b, Code 2018, is amended to read as follows:

b. Subsequent to the deposit into the general fund of the state and after the transfer of such revenues collected under chapter 423B, the department shall transfer one-sixth of such remaining revenues to the secure an advanced vision for education fund created in section 423F.2. This paragraph is repealed ~~December 31, 2029~~ January 1, 2050.

Sec. 11. Section 423F.2, subsection 3, Code 2018, is amended to read as follows:

3. *a.* The moneys available in a fiscal year in the secure an advanced vision for education fund shall be distributed by the department of revenue to each school district on a per pupil basis calculated using each school district's budget enrollment, as defined in section 257.6, for that fiscal year.

b. (1) Prior to distribution of moneys in the secure an advanced vision for education fund to school districts, ~~two and one tenths percent of the moneys available in a~~ an amount equal to the equity transfer amount for the fiscal year minus the foundation base transfer amount for the fiscal year shall be distributed and credited to the property tax equity and relief fund created in section 257.16A, an amount equal to the foundation base transfer amount shall be distributed and credited to the foundation base supplement fund created in section 257.16C, and an amount equal to the career academy transfer amount for the fiscal year shall be distributed and

Sect 7-10

Extends sunset of state penny sales tax and use tax sections to Jan. 1, 2050

Who could care _____

Sect 11:

New language in subsection b requires deposits of SAVE revenues into the Property Tax Equity and Relief (PTER) Fund, Foundation Base Supplement fund and the Career Academy Fund.

credited to the career academy fund created in section 257.51.

(2) For purposes of this subsection, the equity transfer amount is determined by multiplying the equity transfer percentage by the amount of moneys available in the secure an advanced vision for education fund in the fiscal year.

(a) For the fiscal year beginning July 1, 2017, the equity transfer percentage is two and one-tenths percent.

(b) For each fiscal year beginning on or after July 1, 2018, the equity transfer percentage is equal to the equity transfer percentage for the immediately preceding fiscal year, unless the amount of moneys available in the secure an advanced vision for education fund in the fiscal year equals or exceeds one hundred two percent of the amount of moneys available in the fund for the immediately preceding fiscal year, in which case the equity transfer percentage shall be the equity transfer percentage for the immediately preceding fiscal year plus one percent subject to the limitation in subparagraph division (c).

(c) If the equity transfer percentage calculated under subparagraph division (b) exceeds twelve percent, the equity transfer percentage for that fiscal year shall be twelve percent.

(3) For purposes of this subsection, the foundation base transfer amount equals the equity transfer amount for the fiscal year under subparagraph (2) minus the sum of the following:

(a) Two and one-tenths percent of the amount of the moneys available in the secure an advanced vision for education fund in the fiscal year.

(b) Two-thirds of the product of the equity transfer percentage for the fiscal year minus two and one-tenths percent multiplied by the moneys available in the secure an advanced vision for education fund in the fiscal year.

(4) (a) For purposes of this subsection, the career academy transfer amount for the fiscal year beginning July 1, 2018, is one million dollars.

(b) For each fiscal year beginning on or after July 1, 2019, the career academy transfer amount is equal to the lesser of five million dollars or the amount of the career academy transfer amount for the immediately preceding fiscal year, unless the amount of moneys available in the secure an advanced vision for education fund in the fiscal year equals or exceeds one hundred two and one-half percent of the amount of moneys available in the fund for the immediately

Sect. 11 continued:

Defines the calculations to phase in the Foundation Base Percentage Fund and the PTER fund increases (fiscal years are from the fiscal note, but phase in could be slower due to slower growth in sales tax dollars:

FY 2019 2.1%

FY 2020 3.1%

FY 2021 4.1%

FY 2022 5.1% etc., until

Capped at 12% estimated to occur in FY 2027

Of the PTER funds in FY 2027, \$72.9 million, of which \$20.0 million goes to Foundation Base Percentage Fund.

Who could care _____

The Career Academy amount is \$1 million annually, unless SAVE grows by 2.5%. If that happens, the Career Academy amount grows by one half of 1%, but never more than \$5.0 million.

Who could care _____

preceding fiscal year, in which case the career academy transfer amount equals the lesser of five million dollars or the sum of the amount of the career academy transfer amount for the immediately preceding fiscal year plus one-half percent of the amount of moneys available in the secure an advanced vision for education fund in the fiscal year following the deposit of revenues in the property tax equity and relief fund and the foundation base supplement fund.

Sec. 12. Section 423F.3, subsection 3, paragraph b, Code 2018, is amended to read as follows:

b. (1) If the board of directors intends to use funds for purposes other than those listed in paragraph “a”, or change the use of funds to purposes other than those listed in paragraph “a”, the board shall adopt a revenue purpose statement or amend an existing revenue purpose statement, subject to approval of the electors, listing the proposed use of the funds. ~~School districts shall submit the statement to the voters no later than sixty days prior to the expiration of any existing revenue purpose statement or change in use not included in the existing revenue purpose statement.~~

(2) (a) Notwithstanding any provision of law to the contrary, for each school district with an existing revenue purpose statement for the use of revenues from the secure an advanced vision for education fund adopted under this paragraph or adopted under another provision of law before July 1, 2018, such revenue purpose statement shall terminate and be of no further force and effect on January 1, 2030, or the expiration date of the revenue purpose statement, whichever is earlier. If such a school district intends to use funds for purposes other than those listed in paragraph “a” and does not intend to operate without a revenue purpose statement on or after January 1, 2030, or the expiration date of the revenue purpose statement, whichever is earlier, the board of directors shall submit a revenue purpose statement for approval by the electors under subparagraph (1) on or after July 1, 2018, and such revenue purpose statement submitted to the electors shall include all proposed uses including those previously approved by the electors, if applicable. The following, in substantially the following form, shall be included in the notice of the election published under paragraph “d” and published on the school district’s internet site:

If a majority of eligible electors voting on the question fail to approve this revenue purpose statement, revenues received by the school district from the secure an advanced vision for education fund

Sect. 12

Amends Revenue Purpose Statement process:

Strikes the 60-days reference in current law.

Adds a new subsection 2 to 423F.3 (3) (b)

Terminates existing revenue purpose statements on the earlier of Jan 1, 2030 or upon their individual expiration as approved by voters.

Allows school districts to use funds for property tax relief without an approved revenue purpose statement (reference to paragraph “a”) but requires voters to approve a new RPS to use funds after the expiration of the existing RPS.

Requires notice of election published in the paper to include a specific statement that SAVE funds will buy down existing levies in the district first before expenditure on other purposes.

Who could care

shall first be expended for (State the purposes in the order listed in subsection 1 and as required by subsection 4 of this section for which the revenues received by the school district under this chapter will be expended.)

(b) Unless a new revenue purpose statement is adopted by the electors, the existing revenue purpose statement remains in effect until January 1, 2030, or the expiration date of the revenue purpose statement, whichever is earlier. If a revenue purpose statement is terminated under the provisions of this subparagraph, such termination shall not affect the validity of or a first lien on bonds issued under section 423E.5, Code 2018, or section 423F.5 prior to the date the revenue purpose statement is terminated under subparagraph division (a), or the validity of a contract or other obligation of the school district secured in whole or in part by or requiring the payment of funds received under this chapter in effect prior to the date the revenue purpose statement is terminated under subparagraph division (a).

Sec. 13. Section 423F.3, subsection 5, paragraph b, Code 2018, is amended to read as follows:

b. The ~~infeasibility~~ cost-benefit analysis of remodeling, reconstructing, or repairing existing buildings.

Sec. 14. Section 423F.3, subsection 5, Code 2018, is amended by adding the following new paragraph:

NEW PARAGRAPH. i. Benefits and effects of the new construction on student learning.

Sec. 15. Section 423F.3, subsection 6, Code 2018, is amended by adding the following new paragraph:

NEW PARAGRAPH. *Od.* Additionally, “*school infrastructure*” includes school safety and security infrastructure. For purposes of this paragraph, “*school safety and security infrastructure*” includes but is not limited to safe rooms, remote entry technology and equipment, security camera systems, card access systems, and communication systems with access to fire and police emergency frequencies. For purposes of this paragraph, “*school safety and security infrastructure*” does not include the cost of personnel, development of safety and security plans, or training related to the implementation of safety and security plans.

Sect. 12 continued:

Keeps RPS in place unless new one is adopted by voters or old one expires.

If RPS is terminated, bonding and other obligations of the district in effect prior to termination date are protected.

Who could care _____

Sect. 13 and 14: Amends certificate of need, applies to districts below 100 in a high school or 250 in the district (no change to current law thresholds) to include a cost-benefit analysis of remodeling or repairing. NEW: Requires the CON to include a consideration of benefits and effects of new construction on student learning.

Who could care _____

Sect. 15 NEW: Includes school safety and security infrastructure and defines what it is but excludes the cost of personnel, development of security plans or training.

Who could care _____

Sec. 16. Section 423F.3, Code 2018, is amended by adding the following new subsection:

NEW SUBSECTION. 6A. *a.* Prior to approving the use of revenues received under this chapter for an athletic facility infrastructure project within the scope of the school district’s approved revenue purpose statement or pursuant to subsection 4 for a school district without an approved revenue statement, the board of directors shall adopt a resolution setting forth the proposal for the athletic facility infrastructure project and hold an additional public hearing on the issue of construction of the athletic facility. Notice of the time and place of the public hearing shall be published not less than ten nor more than twenty days before the public hearing in a newspaper which is a newspaper of general circulation in the school district. If at any time prior to the fifteenth day following the hearing, the secretary of the board of directors receives a petition containing the required number of signatures and asking that the question of the approval of the use of revenues for the athletic facility infrastructure project be submitted to the voters of the school district, the board of directors shall either rescind the board’s resolution for the use of revenues for the athletic facility infrastructure project or direct the county commissioner of elections to submit the question to the registered voters of the school district at an election held on a date specified in section 39.2, subsection 4, paragraph “c”. The petition must be signed by eligible electors equal in number to not less than one hundred or thirty percent of the number of voters at the last preceding election of school officials under section 277.1, whichever is greater. If a majority of those voting on the question favors the use of the revenues for the athletic facility infrastructure project, the board shall be authorized to approve such use by resolution of the board. If a majority of those voting on the question does not favor the use of the revenues for the athletic facility infrastructure project, the board of directors shall rescind the board’s resolution for the use of revenues for the athletic facility infrastructure project. If a petition is not received by the board of directors within the prescribed time period, the board of directors may approve the use of revenues for the athletic facility infrastructure project without voter approval.

b. After fourteen days from the date of the hearing under paragraph “a” or fourteen days after the date of the election held under paragraph “a”, if applicable, whichever is later, an action shall not be brought questioning the board of directors’ authority to use funds

Sec. 16: NEW if revenues are used for athletic facilities, the board must adopt a resolution setting forth the proposal, hold an additional public hearing on the athletic facility proposal. Publishing requirements. Must wait 14 days after the public hearing for a petition.

Petition must have the required number of signatures to require the athletic proposal to be submitted to the voters.

Board may either rescind the proposal or hold a special election.

Minimum signatures required the greater of 100 or 30% of those voting in the last preceding election of school officers.

Simple majority determines the outcome.

If no petition in 14 days, the board may approve the use of revenues for the athletic facility without voter approval.

Prohibits an action after the 14 days expires or after the election questioning the board’s authority to use SAVE funds for athletic facilities.

Who could care_____

for the athletic facility infrastructure project or questioning the legality of any proceedings in connection with the authorization of such use.

c. For purposes of this subsection:

(1) “Athletic facility” means a building or structure, or portion thereof, that is not physically attached to a student attendance center.

(2) “Athletic facility infrastructure project” means a school infrastructure project that includes in whole or in part the construction of an athletic facility.

(3) “Construction” does not include repair or maintenance of an existing facility.

Sec. 17. Section 423F.4, Code 2018, is amended to read as follows:

423F.4 Borrowing authority for school districts.

1. A Subject to the conditions established under subsection 2, a school district may anticipate its share of the revenues under section 423F.2 by issuing bonds in the manner provided in section 423E.5, Code 2018. However, to the extent any school district has issued bonds anticipating the proceeds of an extended local sales and services tax for school infrastructure purposes imposed by a county pursuant to former chapter 423E, Code and Code Supplement 2007, prior to July 1, 2008, the pledge of such revenues for the payment of principal and interest on such bonds shall be replaced by a pledge of its share of the revenues under section 423F.2.

2. a. Bonds issued on or after July 1, 2018, shall not be sold at public sale as provided in chapter 75, or at a private sale, without notice and hearing. Notice of the time and place of the public hearing shall be published not less than ten nor more than twenty days before the public hearing in a newspaper which is a newspaper of general circulation in the school district.

b. For bonds subject to the requirements of paragraph “a”, if at any time prior to the fifteenth day following the hearing, the secretary of the board of directors receives a petition containing the required number of signatures and asking that the question of the issuance of such bonds be submitted to the voters of the school district, the board shall either rescind its adoption of the resolution or direct the county commissioner of elections to submit the question to the registered voters of the school district at an election held on a date specified in section 39.2, subsection 4, paragraph “c”. The petition must be signed by eligible electors equal in number to not less than one hundred or thirty percent of the number of

Sec. 16 continued:

Defines Athletic facility and Athletic facility infrastructure project.

Excludes repair or maintenance of an existing facility from “construction” definition.

Sec. 17: Bonding

To anticipating proceeds from existing revenue purpose statement, may issue bonds following sub. 2.

Requires notice and public hearing to sell bonds at public sale or private sale. Publishing requirements included.

Who could care _____

Wait 14 days for petition requiring the issuance of bonds to be approved by voters. If a petition arises with enough signatures, the board may either rescind the resolution or hold a special election.

Same petition requirements as above: the greater of 100 or 30% of those voting in the last school board election. Simple majority rules.

After 14 days, if no petition arises, the board may proceed and action questioning the board’s authority to proceed is prohibited.

voters at the last preceding election of school officials under section 277.1, whichever is greater. If the board submits the question at an election and a majority of those voting on the question favors issuance of the bonds, the board shall be authorized to issue the bonds.

c. After fourteen days from the date of the hearing under paragraph "a" or fourteen days after the date of the election held under paragraph "b", if applicable, whichever is later, an action shall not be brought questioning the legality of any bonds or the power of the authority to issue any bonds or to the legality of any proceedings in connection with the authorization or issuance of the bonds.

Sec. 18. Section 423F.6, Code 2018, is amended to read as follows:

423F.6 Repeal.

Sec. 19. STATE MANDATE FUNDING SPECIFIED. In accordance with section 25B.2, subsection 3, the state cost of requiring compliance with any state mandate included in this Act shall be paid by a school district from state school foundation aid received by the school district under section 257.16. This specification of the payment of the state cost shall be deemed to meet all of the state funding-related requirements of section 25B.2, subsection 3, and no additional state funding shall be necessary for the full implementation of this Act by and enforcement of this Act against all affected school districts.

Sec. 18 Repeals the SAVE extension January 1, 2050, which effectively adds 20 more years of state penny sales tax collection dedicated to school infrastructure and property tax relief.



Sec. 19

Typical language that says nothing in this bill is considered a state mandate since school districts receive state foundation aid.

Summary of SAVE Extension Provisions:

- 1) Extends the penny through January 1, 2050.
- 2) Guarantees more property tax relief through increase to PTER and new Foundation Base Percentage Fund. Currently 2.1% goes into PTER (+ \$24 M appropriation). Total through extension is 12% (+ \$24 M appropriation).
- 3) Creates a new Career Academy Fund and Grant program, max of \$5 million.
- 4) Adds transparency and public input into Revenue Purpose Statement, athletic facilities new construction and bond issuance. Public notice, public hearing, reverse referendum, vote to extend RPS beyond 2030 or current expiration.
- 5) Adds to certificate of need: DE must consider cost benefit analysis of repair and impact on student learning of new construction.
- 6) Adds safety and security infrastructure/equipment to allowable expenses but prohibits use for staff or emergency planning.
- 7) Repeals SAVE chapter 423F on January 1, 2050.

Advocacy Actions:

Issue Briefs

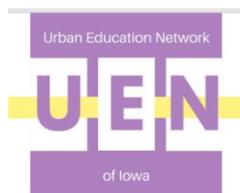
The following issue briefs, also posted on the UEN legislative page, supported advocacy work during the 2018 Legislative Session. Use these resources as conversation starters with legislative candidates or to discuss with parent or other stakeholder groups.

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

2018 Legislative Issue Briefs:

The **legislative issue briefs** explains why these issues are important to school districts and gives a suggested action that the UEN encourages the Governor and Legislature to enact. Click on a link below in order to download a formatted copy, share or forward to others.

- [School Choice](#)
- [Childhood Poverty/At Risk Students & School Funding](#)
- [English Language Learner Supports](#)
- [Formula Equality: State & District Cost Per Pupil](#)
- [Funding Adequacy State Percent of Growth](#)
- [Quality Preschool For All Students](#)
- [Extend The State Penny For School Infrastructure](#)
- [Student Mental Health Services](#)



School Choice

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

- A neighborhood Public School or a Public School in another neighborhood within the school district (transfers regulated by local school board).
- Open enrollment to another school district (with application filed by the March 1 deadline the year prior to enrollment) in 328 school districts, with a total of 31,369 students exercising this option in the 2016-17 school year.
- Open enrollment to another school district if request meets the criteria set by the local school board in the remaining five districts with voluntary diversity plans (total of over 2,500 students open enrolled out of those five districts in the 2016-17 school year).
- Open enrollment in an Iowa public virtual academy (CAM/Anita & Clayton Ridge).
- Strong nonpublic schools, with 34,226 students enrolled in private schools in 2016-17. Private schools and parents are supported by millions of state tax dollars for school tuition organization scholarships, tuition and textbook tax credits, transportation and textbook funds to private schools, public school and AEA support for special education in private schools, and public/private partnerships for private preschool tuition in the statewide voluntary preschool program. Worthy of note: according to *State Tax Subsidies for Private K-12 Education* by the Institute for Taxation and Economic Policy, Oct. 2016, of the 17 states that have either private school scholarships or private school tuition/expenses tax credit, Iowa is one of only five that have both (AL, IA, IN, LA, SC).
- Home school assistance (competent private instruction) or independent private instruction.
- All told, over \$53 million in state tax dollars support the education of Iowa students in private and home school settings.

Vouchers or Education Savings Accounts Costs Outweigh Benefits: Further Iowa public investment in private education will not add the benefits often touted and will negatively impact public school students:

- Voucher proponents suggest that competition will improve outcomes for students. First, in Iowa, there is already enough competition to pressure schools to perform, if competition really does provide positive pressure. But according to the Economic Policy Institute Report, Feb. 28, 2017, School vouchers are not a proven strategy for improving student achievement. “Research does not show that vouchers significantly improve student achievement.”

They also conclude that there are more effective ways than vouchers to increase graduation and college attendance rates, that vouchers programs have hidden costs, including shrinking the pipeline into teaching, and that supports for privatization detract from more proven methods of improving student learning.

- Iowa's current budget situation does not provide adequate resources for public schools. If an increasing part of a very small pie is carved out for vouchers, there will be less available for public schools. According to the Institute on Taxation and Economic Policy, *State Tax Subsidies for Private K-12 Education*, Oct. 2016, "30 neovouchers across 20 states are draining over \$1 billion in public revenues from state coffers every year. Every dollar of revenue diverted toward private schools is revenue that cannot be invested in the public education system. Allowing certain taxpayers to opt out of funding an institution as fundamentally important as the nation's public school system erodes the public's level of investment in that institution – both literally and figuratively."
- Statewide complications occur: the survival of rural schools depends on adequate state funding, yet there are few private schools available for their parents to choose as an alternative. According to the National Rural Education Association, investing in vouchers reduces resources to rural schools and saves money for parents in urban centers. Meanwhile, student poverty and minority concentration in the inner cities is exacerbated when families with means are encouraged to leave the public school for a private program, increasing the challenge of urban districts while decreasing resources.
- The Institute also finds insufficient budgetary oversight of voucher programs. There is no publicly elected school board or Department of Education regulating and reporting allowable expenditures. The public does not have access to records or public meetings. Good stewardship of tax dollars requires transparency and clearly articulated expectations.
- Public schools are accountable to taxpayers, parents, communities, i.e., the public and serve all students. Public schools cannot jettison students that are not meeting expectations or refuse enrollment based on specific student needs, such as disabilities, or students who are non-English-speaking, minority or low income. If additional state dollars are used to fund vouchers, it is only fair that the private schools receiving those tax dollars also comply with testing, reporting, and service requirements.

The UEN calls on the Iowa Legislature to adequately fund public schools and oppose further expansion of state tax dollars for private schools either directly through school vouchers or indirectly through expansion of tax credits that will further reduce the resources available for Iowa's public school students.

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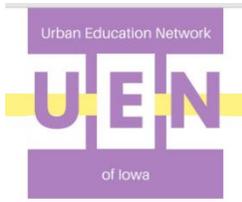
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Sources: Economic Policy Institute, School vouchers are not a proven strategy for improving student achievement, Feb. 2017 <https://www.epi.org/publication/school-vouchers-are-not-a-proven-strategy-for-improving-student-achievement/>

Iowa Department of Education Certified Enrollment, <https://www.educateiowa.gov/data-reporting/data-reporting/certified-enrollment>

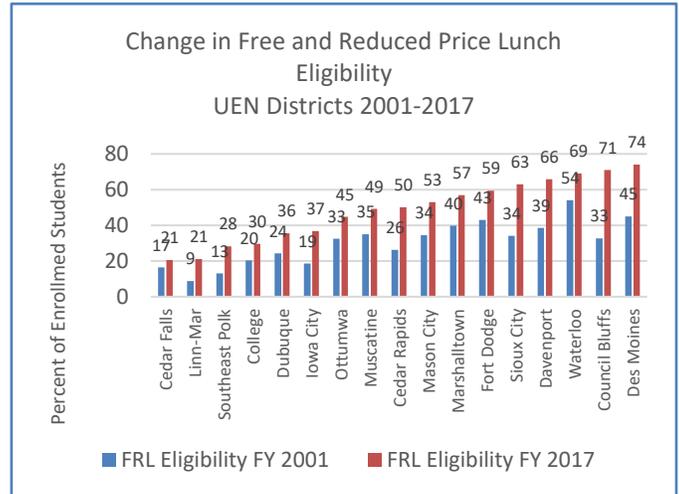
Institute on Taxation and Economic Policy, State Tax, *Subsidies for Private K-12 Education*, Oct. 2016, http://itep.org/itep_reports/2016/10/state-tax-subsidies-for-private-k-12-education.php#.WG-uxRsrj3g



Urban Education Network Issue Brief 2018

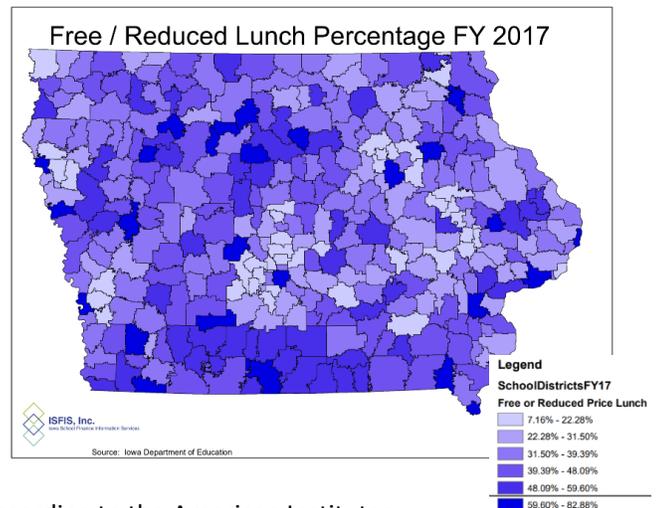
Childhood Poverty/At-Risk Students and School Funding

Background: Iowa used to be a homogenous state with relatively low poverty. In 2001, about 28% of students were eligible for Free & Reduced Lunch. In 2017, over 41% of students are eligible. Iowa’s funding formula does not sufficiently identify low income as a driver of at-risk student 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 maximum, yet their percentage of students from low-income families is much higher. Flexibility for using DoP funds was expanded in the 2015 and 2017 Legislative Sessions, but did not address the variance in the DoP cap.

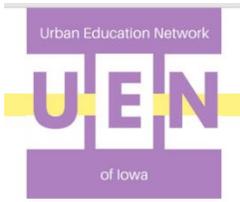


Current Reality:

- Students in poverty are more likely to begin school behind peers academically, struggle with health, exhibit attendance challenges, have 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.
- Poverty is no longer concentrated in Iowa’s urban centers. The darkest color in the map shows districts with more than 59% of their students eligible. In FY 2017, 62 school districts in Iowa had more than half of their students eligible, Postville at 82.9%. Of those 62 districts, 8 are UEN member districts.
- The national average investment is an additional 29% above 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 low-income pupil. “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 and dropout prevention for FY 2018, combined, translates into just short of 10% funding commitment for poverty, less than half the national average investment.



The UEN calls on the Iowa Legislature to fund districts based on student need. Give districts flexibility to identify students and direct funds to educate them. Invest early, increasing access to quality preschool programs, to prevent higher costs later.



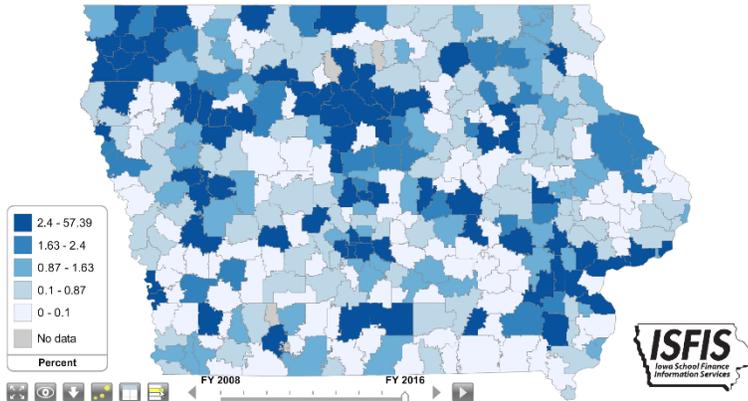
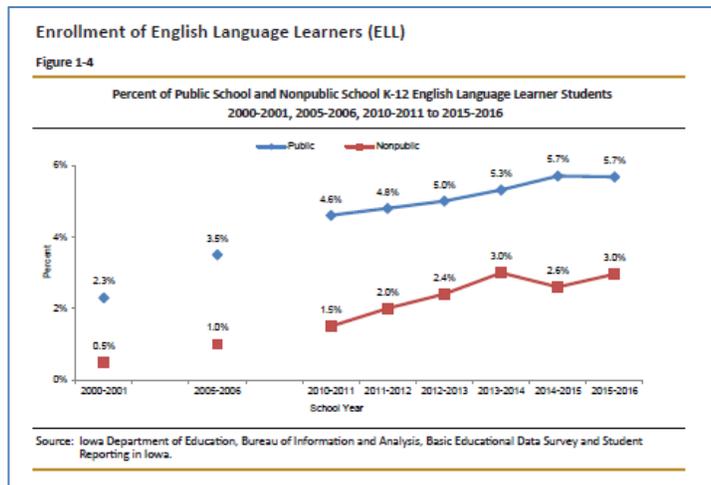
Urban Education Network Issue Brief 2018

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 2015-16 school year, 5.7% of students were reported as ELL, up from 2.3% in 2000-01 as reported in the 2016 DE’s Annual Condition of Education Report (Feb. 2017). Of the 39 Iowa school districts in FY 2016 with more than 6% of their enrollment eligible for ELL programming, 10 are urban districts and 29 are more rural in nature.



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

Funding History: The [ELL Task Force Report](#), Nov. 2013, tells the history of the formula support for ELL services: “Prior to the 2013 legislative session, students served in an ELL program counted for an additional 0.22 weighting, including state contribution in the formula, for programming for up to four years. During the 2013 legislative session, SF 452, Standing Appropriations, Division V, extended the 0.22 weighting and state contribution to ELL funding to a fifth year, first available to schools in the 2014-15 school year budget. The bill maintained the ability of the School Budget

Review Committee (SBRC) to grant additional modified allowable growth, or spending authority, for ELL program costs beyond the fifth year. If granted, the funding to reimburse the school general fund for the ELL expenses is funded by the district's cash reserve levy or existing cash balance. It is important to highlight the relationship between

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

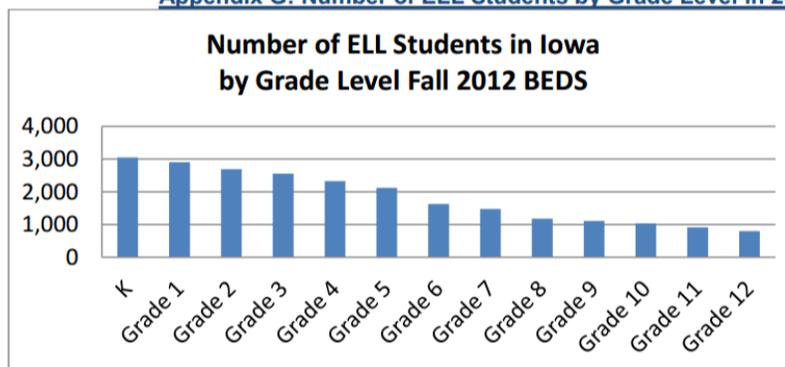
Educational Requirements: The Task Force Report also states: Iowa has educational requirements for ELL students as described in Iowa Code, Chapter 280.4, Uniform School Requirement: When a student is limited English proficient, both public and nonpublic schools shall provide special instruction, which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

Funding Recommendations: The Task Force recommended 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.

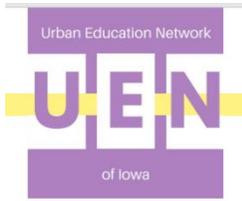
How long does it take for ELLs to reach proficiency? The National Literacy Panel, as reported in [A review conducted for the Center for Public Education](#) by researchers at Edvantia, concluded that "considerable future research is needed to develop valid and reliable measures" of academic language 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.

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

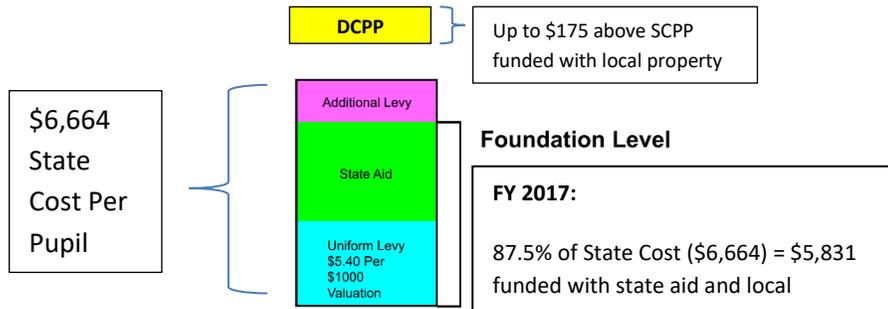
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Urban Education Network Issue Brief 2018

Formula Equality: State and District Cost per Pupil

Background: Before the Iowa school foundation formula was created, school districts depended almost entirely on local property taxes for funding. The level of support varied due to many factors, including community attitudes about the priority of education and local property tax capacity. The formula set a State Cost Per Pupil (SCPP) and brought all districts spending less up to that amount. A combination of some local property tax and some state foundation aid provided funding. Those districts which spent more than the newly defined SCPP were allowed to continue, funded by local property tax payers. Although the formula was created in the mid-1970s, the difference between the SCPP and a higher District Cost Per Pupil (DCPP) has remained. This graphic shows the property tax and state aid components of the SCPP and the DCPP above the \$6,664 (FY 2017-18 SCPP).



Current reality: In FY 2018, 162 districts (48.8%) are limited to the \$6,664 as their District Cost per Pupil (DCPP). The other 170 districts (51.1%) have a DCPP ranging from \$6,665 to \$6,839, or \$1 to \$175 more. When the Legislature determines the increase in the SCPP, that dollar amount is added to the DCPP, so the gap continues at the same dollar amount. On a percentage basis, the \$175 is much less today than it was in 1975. However, when school budgets are tight, every dollar matters. This table shows the count of districts based on the range of authority in the formula to exceed the SCPP.

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

After nearly 40 years of the current formula, there is no logical remaining rationale for maintaining this variance in the district cost per pupil, which is unfair to students and taxpayers.

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

supplement for those districts that are held to the minimum (\$74 million). SF 455, unanimously approved by all senators voting in the Iowa Senate in the 2017 Session, accomplishes this plan, with a phased-in approach that reaches equity in ten years. (That bill also includes a solution to transportation expenditure inequities over the ten-year period.)

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

- Give all local districts spending authority for the difference and allow school boards to decide locally whether to fund it. This solution maintains the state's funding commitment without increasing it and provides local property taxes to support community schools. Or . . . Set the state cost per pupil at the highest amount but lower the foundation percentage threshold from 87.5% to an amount that balances the impact on the state and on property taxes. While both of these solutions depend on local funding, since many districts have sufficient cash on hand, there would be little cash reserve levy impact for several years in many districts.
- Allow local district authority to use cash reserves to fund the difference under certain circumstances. [SSB 1254](#) and [HSB 240](#), both introduced in the 2015 Legislative Session, include a parameter that the cash reserve levy in the base year may not be exceeded in a future year if providing funds for this purpose. [HF 2182](#), introduced in the 2016 Session, was a short-term limited authority to use cash reserve, giving the legislature time to come up with a more permanent solution.
- A combination of the two options above would also be possible –providing authority in the meantime while closing the gap over the long haul.

The UEN calls on the Iowa Legislature to **Resolve Formula and Transportation Inequalities:** Commit to a solution that eliminates the \$175 different in the district cost per pupil in the school foundation formula and provide resources to close the expenditure gap in school transportation costs. SF 455 passed unanimously in the Iowa Senate, provides a 10-year phase in to eliminate these two inequities, providing resources to every Iowa school district.

Lew Finch, UEN Executive Director

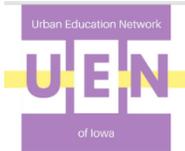
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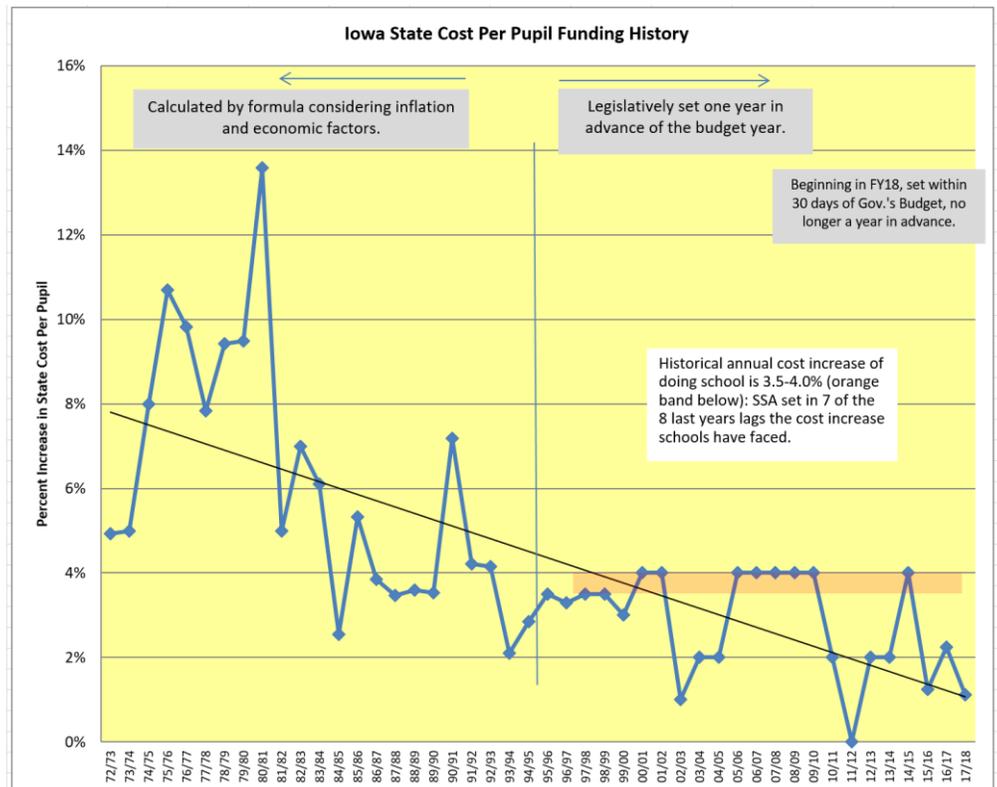


Funding Adequacy State Percent of Growth

There is a cumulative impact to low per pupil funding increases compounded by insufficient time for planning. *In seven of the last eight years, the increase in the cost per pupil has fallen short of cost increases school experience.*

This chart shows the historical percentage increase in Iowa’s state cost per pupil, previously Allowable Growth, now State Supplemental Assistance, since the funding formula began in 1972-73:

Historically, **Iowa Code** Section [257.8](#), subsection 1, required: “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.” That was changed last year, so now the Legislature is required to set the SSA per pupil within 30 days of the Governor’s budget submission (typically mid-February), but not in the prior year, effectively giving school districts just a few weeks’ notice before their budget publication deadline.



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

The funding percentage is also applied to class size/early intervention, teacher salary supplements and professional development supplements per student, and mostly recently include the new Teacher Leadership and Compensation (TLC) supplements. These funds are strictly regulated for specific purposes. Additionally, school transportation costs and unfunded mandates from the state and federal level are paid from the per pupil amount. When costs increase greater than funding, program and staff reductions follow. This year's increase in the employer share of IPERS is a good example. It is estimated an additional 0.6 increase in the SSA is required statewide to cover that cost.

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

First, the general fund portion of the budget no longer includes tobacco and alcohol taxes, as it did 20 years ago. Second, the property tax portion of school funding has dropped from 50 percent in 1985, to 43 percent in 1990, to 39 percent in 1995 down to 33 percent in 2015. Some of the increases in state money have simply offset property taxes, not providing additional money for Iowa schools to spend on students. Other increases in the formula are shifts from what used to be grant funding (such as the per pupil supplements) into the formula. When evaluating Iowa's funding commitment to education, total funds, including both state and local monies, ought to be considered.

A true apples-to-apples comparison is found if you consider what percent of total state resources are spent on education. The National Association of State Budget Officers (NASBO) [State Expenditure Report](#) analyzes all state expenditures excluding bonds (not just general fund.)

- In their analysis titled State Spending by Function, as a Percent of Total State Expenditures, Fiscal 2016, "Iowa Elementary and Secondary Education for FY 2017 was 16.4% of total state spending."
- The plains states average (IA, KS, MN, MO, NE, ND, SD) for FY 2017 was 19.9% and the national average percentage of total expenditure for FY 2017 was 19.4%.
- Where Iowa ranks over time in the percent of all expended for Elementary and Secondary Education: FY 2015 Iowa ranked 33rd. In FY 2016, Iowa ranked 36th. In FY 2017 Iowa ranked 34th.
- Using the percentages in this report, UEN calculates it would take an additional \$839.7 Million for Iowa to reach the national average of 19.4% of all funds expended to elementary and secondary education (AKA \$1,731 per pupil)

Impact: Schools have been working very hard to deliver results for students. Iowa has seen slight growth in NAEP scores despite significant growth in poverty and ELL students. Iowa continues to rank first in the nation in graduation, with over 91% of our students graduating with their class in four years. Schools are committed to school improvement efforts, such as TLC, early literacy and STEM initiatives.

These efforts will be compromised if the basic foundation of school funding is not sustained. Schools in Iowa are experiencing an increasing number of teacher shortage content areas. There

are not enough qualified applicants to fill jobs, generally indicating that the profession of teaching is being outpaced in the marketplace. Class sizes are going up, making the job even harder. Programs are being eliminated. Districts are offering fewer extracurricular and fine arts opportunities for students, especially in middle school, resulting in less opportunity and engagement for students.

This trend will not only diminish the quality of Iowa's workforce but impact our state's future quality of life.

UEN calls on the Iowa Legislature to *Invest in Iowa's Future*:

Adequate funding is required to fulfill the goal of restoring Iowa's first in the nation education status. Adequate funding is required to deliver world-class learning results for students. Adequate funding is required to develop a world-class workforce to secure Iowa's economic future. Adequate funding is required to attract great thinkers to the field of education, to recruit, retain and reward Iowa's excellent educators of today and the future.

Iowa's investment in public education should mirror Iowa's economic growth and make up for shortfalls when the economy is robust. A strong school finance system requires commitment to the principles of primacy, adequacy, equity, and flexibility.

New resources from the state should supplement, not supplant existing resources.

Iowa's future depends on a stable and balanced state revenue policy that generates sufficient revenue to fund Iowa's priorities, including the education of Iowa's children.

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Urban Education Network Issue Brief 2018

Quality Preschool for All Students

Background: Iowa's Statewide Voluntary Preschool Program for Four-Year-Olds was phased in over several years, from FY2008 through FY2011. After an initial year of start-up, programs were funded in their second year and beyond through the school funding formula. Originally funding was a weighting of 0.6 (which equates to 60% of the state cost per pupil) but was reduced to 0.5 beginning in FY 2012. The LSA Issue Review estimates that SVPP and the Shared Visions PK program together serve just under 60% of Iowa four-year-olds. The 29,344 preschool students estimated to be served in FY 2017, compared to average K-3rd grade class sizes of 37,425, shows some increased access to PK over time, but still leaves an estimated 8,081 Iowa students without a quality preschool experience.

Why does preschool matter? Once considered a strategy just to support working parents with child care needs, the majority of states now view access to high-quality preschool programs as a long-term investment in the future workforce. Six Rigorous long term evaluation studies have found that children who participated in high-quality preschool programs were:

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

Other sources also quantify impact in addition to the above Education Commission of the States, Oct. 2014, <http://www.ecs.org/docs/early-learning-primer.pdf>:

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

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

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

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Urban Education Network Issue Brief 2018

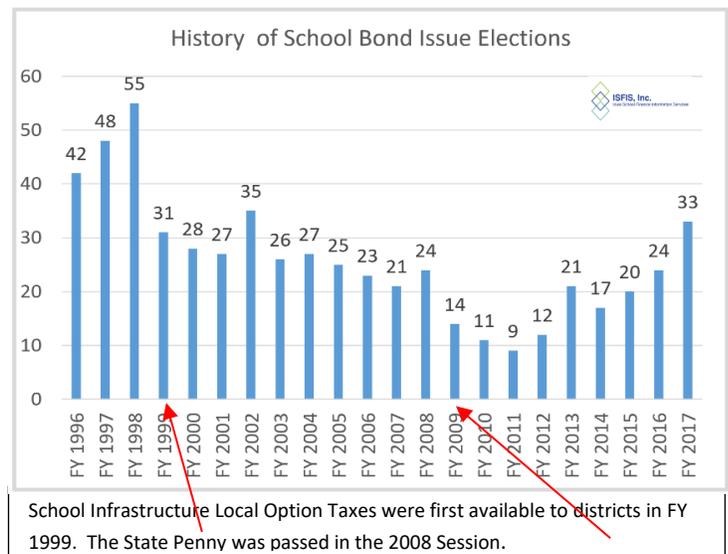
Extend the State Penny for School Infrastructure

Background: The State Penny for School Infrastructure, established in 2008, expires on Dec. 31, 2029. The original 20-year timeframe matched the typical bonding period for property-tax backed construction projects. 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 have together:

- Funded school safety improvements and technology to protect students and staff
- Funded technology expansions in districts (such as STEM/CTE initiatives, resources for computer programming courses, and integrated technology into instruction for teachers)
- Elevated student learning (science labs, STEM, CTE and the arts, to name a few)
- Upgraded fields/facilities/fine arts areas for student/community participation and connection to school
- Resulted in fewer days lost due to extreme temperatures
- Returned saved energy dollars to the educational program
- Purchased items otherwise requiring PPEL levy increases or new Bond Issues
- Created secure entry areas and other safety features to protect staff and students
- Reduced property taxes and additional tax equity through dedication of use tax to property tax relief.

Current Reality: Ten years later, schools are feeling the pinch of a shortened bonding period.

- The replacement cost of Iowa schools was estimated to be \$16.4 billion (July 1, 2014). The state penny provides an annual investment of 2.55%, a reasonable amount to maintain and update Iowa schools, including funding for technology, equipment, buses and additional property tax relief.
- Fallback will always be property taxes. Inequity in valuations means that districts access to PPEL/Debt Service property taxes bears little relationship to enrollment or need. Iowa will return to the infrastructure mess that delivered inadequate school facilities and unequal student resources.
- History of the number of bond issue elections in Iowa proves the point: fewer bond issues were needed 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 continue to grow, as evidenced by this chart of the history.
- With low interest rates and unmet needs, this is the wrong time to turn to property taxes rather than sales taxes for facilities repair and construction, yet school districts bond issues are increasing statewide as the anticipating window is closing.



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

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Urban Education Network Issue Brief 2018

Mental Health

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

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

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

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Advocacy and Other Legislative Resources

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>

Iowa DE Letter to the Field re Conclusion of the 2018 Legislative Session

<https://educateiowa.gov/sites/files/ed/documents/2018-06-06%20Letter%20to%20the%20Field%20-%202018%20Legislative%20Session%20-%20Statute%20Changes%20Affecting%20Schools.pdf>

Urban Education Network of Iowa Legislative Page (includes weekly reports and video updates, UEN testimony to legislative committees and public hearings, issue briefs, UEN platform, presentations and other advocacy supports.

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

UEN Final Capitol Recap Video End of Session and Interim Advocacy

2018 UEN Legislative Recap and PPT (will be posted on UEN Legislative Page)

Parents for Great Iowa Schools

<http://parentsforgreatiowaschools.com/>

ISFIS Web Site: Conference Presentations

http://www.iowaschoolfinance.com/conference_handouts

Sessions on Legislative Update, School Security Plans, School Lunch Shaming, Expanded Flexibility, State Assessment/writing, State Tax Policy, Energy Savings Strategies and Solar Energy Considerations, State Penny Extension Next Steps

DE Reports Log

2018 DE Reports

[Anti-bullying Programming and Projected Expenditures Legislative Report](#)
[Charter and Innovation Zone Schools in Iowa Child Development Coordinating Council Annual Report](#)
[Closing Achievement Gaps Legislative Report](#)
[Competency-Based Education Legislative Report](#)
[Early ACCESS Legislative Report](#)
[Early Childhood Assessment](#)
[English Language Learner Legislative Report](#)
[Equal Opportunity and Affirmative Action Report](#)
[High Need Schools Legislative Report](#)
[Iowa Autism Council 2018 Priorities](#)
[Iowa Early Intervention Block Grant Program \(Class Size\) - 2017-2018](#)
[Iowa Reading Research Legislative Report](#)
[Iowa Vocational Rehabilitation Legislative Report](#)
[School Association Reporting FY2017](#)
[Secure an Advanced Vision for Education \(SAVE\) Report FY2017](#)
[Senior Year Plus STEM Legislative Report](#)
[Special Education Federal Reports](#)
[Student Achievement, Accountability and Professional Development Annual Report](#)
[Virtual Schools in Iowa Annual Report](#)

2017 DE Reports

[Adult Education and Literacy Program Year 2017 Annual Report](#)
[Anti-bullying Programming and Projected Expenditures](#)
[Career and Technical Education Redesign Implementation Report](#)
[Child Development Coordinating Council Annual Report](#)
[Closing Achievement Gaps Legislative Report](#)
[Commission on Educator Development and Compensation 2017 Annual Report](#)
[Competency-based Education Report](#)

[Computer Science Education Work Group Report](#)
[Condition of Education Report](#)
[Early ACCESS Legislative Report](#)
[Early Childhood Assessment](#)
[Educational Programs for Children's Residential Facilities Rules Progress Report](#)
[English Language Learners Report](#)
[Enrich Iowa Report Fiscal Year 2017](#)
[Equal Opportunity and Affirmative Action Report](#)
[Gap Tuition Program Fiscal Year 2017 Report](#)
[Home Base Iowa Postsecondary Education Reporting](#)
[Iowa Autism Council 2017 Priorities](#)
[Iowa Community College Additional Information Report 2017](#)
[Iowa Community Colleges 260G ACE Infrastructure Funding Fiscal Year 2017](#)
[Iowa Department of Education Infrastructure Report Fiscal Year 2017](#)
[Iowa Early Intervention Block Grant Program \(Class Size\) 2016-2017](#)
[Iowa Interstate Compact Commission for Military Children Progress Report for Academic Year 2016-2017](#)
[Iowa Reading Research Center Report](#)
[Pathways for Academic Career and Employment \(PACE\) Program Fiscal Year 2017 Report](#)
[School Association Reporting FY2016](#)
[Secure an Advanced Vision for Education \(SAVE\) Report FY2016](#)
[Senior Year Plus and STEM Report](#)
[Special Education Federal Reports](#)
[Student Achievement, Accountability and Professional Development Annual Report](#)
[Supplemental Assistance for High-Need Schools Report](#)
[Teacher Leadership and Compensation Status Report](#)
[The Annual Condition of Iowa's Community Colleges](#)
[Virtual Schools in Iowa Annual Report](#)
[Work-Based Learning Intermediary Network Fiscal Year 2017 Report](#)
[Workforce Training and Economic Development 2017 Annual Progress Report and 2018 Plan](#)

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](#)

FLEXIBILITY: The 2017 and 2018 Legislative sessions netted some flexibility for use of what would otherwise be categorical funding. Accessing this flexibility is regulated, with all three requiring a school board resolution:

- [HF 564](#) Categorical Flexibility from 2017 allowed transfer from general fund to student activity fund for protective equipment retroactive to July 1, 2016.
- [HF 565](#) Flex Fund Account 2017 set up a flexibility fund to receive transfers from categorical fund balances in professional development, home school assistance, preschool and a discontinued fund. Although enacted in the 2017 Session, this ability to dedicate the funds to another purpose is effect July 1, 2017.
- [HF 2441](#) Flexibility 2018 allows student activity fund transfer for refurbished (in addition to new) athletic equipment and allows transfer of child care fund balance to general fund

This table lists the requirements for board action/resolution in the various bills passed over the last two years:

Flexibility	Legislation and Session	Effective Date	Required to Publish Notice Code 24.9	Public Hearing	Board directs Transfer	Board directs Expenditures	Other	Send Copy to DE	Make available to auditors
GF transfer to SAF to purchase equipment	HF 564/2017	7/1/2016	no, but list on board agenda for action	No	Yes	limited to costs for new safety equipment	none	No	No
GF transfer to SAF to refurbish equipment	HF 2441/2018	4/11/2018	"	No	Yes	Expanded to include payment to refurbish safety equipment	none	No	No
Child Care Fund transfer to GF	HF 2441/2018	4/11/2018	Yes	Yes (DE is to prescribe form for public hearing notice)	Yes	Yes, proposed use (any general fund purpose)	resolution must include method of setting fees for before and after school care, amount of transfer and proposed used	Yes	Yes
Categorical fund transfer to Flex Fund	HF 545/2017	7/1/2018	Yes	Yes (DE is to prescribe form for public hearing notice)	No	Yes: Resolution includes certification that original purpose needs have been met, the year the transfer occurred, and the expenditure purpose and amount.	May transfer from PK, PD, HSAP or a discontinued fund. Transfer does not require board authority but expenditure does.	Yes	Yes

Copies of sample resolutions for each purpose follow:

Date _____

A RESOLUTION DIRECTING EXPENDITURES OF THE SCHOOL FLEXIBILITY FUND

The Superintendent of the _____ Community School District presents the following Resolution for adoption:

WHEREAS, HF 565 School Flexibility Fund, was established in the 2017 Legislative Session to provide local control and flexibility regarding the use of ending balances in certain categorical funds effective July 1, 2018; and

WHEREAS, the _____ Community School Board of Directors conducted a public hearing on _____ as required by Iowa Code 298A.2(d), using the form of public hearing prescribed by the Iowa Department of Education, which was published in the same manner as required in Iowa Code 24.9, to provide adequate notice to stakeholders and transparency of intended board action; and

WHEREAS, the _____ Community School District has fulfilled the needs intended to be met by the following categorical funds, as hereby certified by the Board of Directors, and that the statutory requirements for the following original sources of funds have been met, have been repealed, or are no longer in effect as noted below (*check all that apply, enter fix year from which funds are transferred and delete those not being used*):

- Statewide four-year old Preschool Program under Iowa Code 256C was provided to students in the _____ fiscal year from which the ending balance is carried forward, and preschool programming was provided to all eligible students for whom a timely application for enrollment was submitted, and a balance remains unencumbered and unobligated at the close of FY _____
- Professional Development funds received under Iowa Code 257.10 (10) were used to meet all statutory requirements of Iowa Code 284 and a balance remains unencumbered and unobligated at the close of FY _____
- Home School Assistance Program under Iowa Code 299A.12 statutory requirements for all purposes listed in 299A.12 (2) have been met and funding for all lawful requests for services and materials from parents or guardians of students eligible to access the program has been provided and a balance remains unencumbered and unobligated at the close of FY _____
- _____ (*insert name of a fund that is discontinued for which the district still has an unobligated ending balance, such as the Market Factor Pay fund*) which is no longer required to be expended for those purposes as the fund has been discontinued, and a balance remains unencumbered and unobligated at the close of FY _____

WHEREAS, the _____ Community School District has transferred the following funds authorized pursuant to HF 565 into the School Flexibility Fund (*check all that apply and enter fund balance total, the amount that was transferred and the fiscal year from which the transfer of such funds to the flex account occurred and delete those not being used*):

- Statewide four-year old Preschool Program under Iowa Code 256C ending balance of \$ _____ of which \$ _____ was transferred to the Flexibility Fund from FY _____
- Professional Development funds received under Iowa Code 257.10 (10) ending balance of \$ _____ of which \$ _____ was transferred to the Flexibility Fund from FY _____
- Home School Assistance Program under Iowa Code 299A.12 ending balance of \$ _____ of which \$ _____ was transferred to the Flexibility Fund from FY _____
- _____ (insert name of a fund that is discontinued for which the district still has an unobligated ending balance, such as the Market Factor Pay fund) which is no longer required to be expended for those purposes as the fund has been discontinued ending balance of \$ _____ of which \$ _____ was transferred to the Flexibility Fund from FY _____

WHEREAS, the Board of Directors of the _____ Community School District has determined the needs of students would be better served by the flexible expenditure of these funds during the budget year beginning in or after the calendar year in which the transfer to the flexibility fund occurs, for the following purposes: *(select all that apply and designate amount for each purpose and delete those not being used)*

- Start-up costs for an approved local program under the statewide preschool program for four-year-old children under Iowa Code 256C \$ _____
- Professional development requirements under Iowa Code 284 \$ _____
- Home school assistance program under Iowa Code 299A.12 \$ _____
- At-risk pupils' programs, alternative programs and alternative school programs, and returning dropout and dropout prevention programs under Iowa Code 257.40 \$ _____
- Gifted and Talented children programs under Iowa Code 257.46 \$ _____
- Unpaid Student Meal account in the school nutrition fund under Iowa Code 283A.11(6) to pay individual student meal debt \$ _____
- Any school district general fund purpose (state general fund purpose for which the funds will be used, such as staff, programs, transportation, curriculum, utilities, or any other general fund purpose) \$ _____

Now, therefore be it **RESOLVED**, that the Board of Directors of the _____ Community School District, acknowledges the transfer of such funds to the Flexibility Fund within the General

Fund, and requires expenditures accordingly for those purposes stated above, total amount of \$_____ to be available for expenditure effective for the _____ Fiscal Year.

RESOLVED, that the Superintendent is directed to include the information concerning such expenditure in the budget certified in accordance with Iowa Code 24; and be it further

RESOLVED, that the Superintendent is directed to provide a copy of this Resolution to the Iowa Department of Education as they prescribe and make such Resolution available for any audit of the district performed under chapter 11.

Resolution approved, _____ (date) by the _____ board of directors:

(list school board members and aye or nay vote of each)

Signed,

Chair – Board of Directors
_____ Community School District

Superintendent
_____ Community School District

Date _____

RESOLUTION TO TRANSFER EXCESS CHILD CARE FUNDS TO THE GENERAL FUND

The Superintendent of the _____ Community School District presents the following Resolution for adoption:

WHEREAS, HF 2441 School Flexibility, effective April 11, 2018, provides flexibility for use of ending fund balances in the child care fund under 298A.12; and

WHEREAS, the _____ Community School Board of Directors conducted a public hearing on _____ as required by Iowa Code 298A.12(2), using the form prescribed by the Iowa Department of Education, published in the same manner as required in Iowa Code 24.9, to provide notice to stakeholders and transparency of intended board action; and

WHEREAS, the _____ Community School District has fulfilled the needs intended to be met by the collection of fees for provision of before and after school care and has a balance remaining and unexpended in the child care fund; and,

WHEREAS, the fee structure for parent payment for before and after school care is determined by _____ *(state any important details, such as, in collaboration with other providers in our community so as not to undercut their services and create a loss of capacity available for before and after school care for students.)* and

WHEREAS, the Board of Directors of the _____ Community School District has determined the needs of students would be better served by the flexible expenditure of these funds for the purpose of _____ *(state intended expenditure of transferred funds which could state any school district general fund purpose such for which the funds will be used, such as staff, programs, transportation, curriculum, utilities, or any other general fund purpose)*, Now, therefore be it

RESOLVED, the Board of Directors of the _____ Community School District authorizes the transfer of such remaining and unencumbered funds to the General Fund, and requires expenditures accordingly for those purposes stated above, total amount of \$_____ to be available for expenditure effective for the _____ Fiscal Year.

RESOLVED, that the Superintendent is directed to provide a copy of this Resolution to the Iowa Department of Education as they prescribe and make such Resolution available for any audit of the district performed under chapter 11.

Resolution approved, _____ (date) by the _____ board of directors:

(list school board members and aye or nay vote of each)

Signed, _____, Chair – Board of Directors
_____ Superintendent, _____ Community School District

RESOLUTION AUTHORIZING TRANSFER OF GENERAL FUND TO STUDENT ACTIVITIES FUND FOR PROTECTIVE GEAR

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

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

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

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

BE IT THEREFORE RESOLVED:

That the Board of Directors of the _____ Community School District approves the transfer of \$_____ from the general fund to the student activity fund for expenditures that occurred between _____(e.g., July 1, 2017 and June 30, 2018) for protective and safety gear required for athletic competition.

Resolution approved, _____(date) by the _____ board of directors:

(list school board members and aye or nay vote of each)

Signed,

Chair – Board of Directors
_____ Community School District

Superintendent
_____ Community School District

NOTES