



# Digest of the 2015 Legislative Session Actions Impacting Iowa School Districts



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## About ISFIS

Iowa School Finance Information Services (ISFIS) was created in 2009 to provide electronic finance tools and financial consulting services to Iowa public schools.

On July 1, 2010, ISFIS became a partnership by and between Larry Sigel, Margaret Buckton, and Jon Muller. Our mission is to help each school district implement its own vision for improved student learning by: continuing to develop new electronic tools to effectively organize districts' data; educating business managers and superintendents on school finance issues and other issues affecting their work; improving markets that serve public education by creating services schools need and providing competitive services that aggregate schools' collective buying power; and empowering school leaders with information and communications tools to connect with their staff, parents, community and state level decision-makers to the benefit of students.

In addition to school finance services, ISFIS provides school improvement tools, human resources supports such as background checks, risk mitigation, research and advocacy (including support of the Rural School Advocates of Iowa and the Urban Education Network), mapping data, online policy manual hosting, negotiations exhibits and training.

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

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## Public Education Advocacy Groups and Resources 2015 Legislative Session

- **Area Education Agencies of Iowa:** AEAs legislative priorities are found here [http://www.iowaaea.org/media/cms/AEA\\_Legislative\\_Priorities\\_6F502F11E3AE4.pdf](http://www.iowaaea.org/media/cms/AEA_Legislative_Priorities_6F502F11E3AE4.pdf)
- **Iowa Association of Community College Trustees:** IACCT legislative priorities are found here <https://www.iacct.com/legislativepriorities.html>
- **Iowa Association of School Boards:** IASB advocacy agenda is found here: [http://www.iasb.org/Main/Advocacy\\_Center3/Main/Advocacy\\_Center/Advocacy.aspx?hkey=b6cce992-e9f4-425e-90f0-2633f59f46de](http://www.iasb.org/Main/Advocacy_Center3/Main/Advocacy_Center/Advocacy.aspx?hkey=b6cce992-e9f4-425e-90f0-2633f59f46de)
- **Iowa State Education Association:** ISEA initiatives and legislative priorities, including historical voting records of legislators on key issues are found here: <http://www.isea.org/home/265.htm>
- **Rural School Advocates of Iowa:** RSAI priorities and position papers are found here: <http://www.rsaia.org/legislative.html>
- **School Administrators of Iowa:** SAI priorities for 2015 are found here: <http://www.sai-iowa.org/sai-legislative-priorities.cfm>
- **Urban Education Network:** Additional UEN Priorities and Resolutions, including Issue Briefs with background and policy suggestions, may be found here: <http://www.uen-ia.org/attachments/UEN%202015%20Priorities%20and%20Issue%20Papers.pdf>
- **Iowa General Assembly:** [www.legis.iowa.gov](http://www.legis.iowa.gov)
- **Iowa Ethics and Campaign Disclosure Board:** Information on ethics, lobbying, campaign contributions, and a section on laws, rules, and opinions. <http://www.iowa.gov/ethics/>
- **Project Vote Smart:** Founded in 1992, this group is a non-profit, non-partisan research organization that does not accept money from lobbyists, governmental organizations, corporations, labor unions or other special interests. Search by legislator name or enter your 9-digit zip code and find all of your elected state and federal representatives. <http://votesmart.org/>

## Legislative Session Approval and Veto Process

The 2015 Legislative Session drew to a close on June 5, 2015. The pattern of late adjournment continued in 2015, a full month beyond expiration of per diem payments for legislators. For comparison, the 2014 Session adjourned on May 2 (10 days past the expiration of per diem payments), the 2013 Session adjourned on May 23<sup>rd</sup>, but the latest adjournment was June 30, 2011, the last day of the fiscal year, for the 2011 Session. Although nearly 1,864 pieces of legislation were introduced in the Iowa Legislature this Session, 143 made it to the Governor's desk.

This Digest details legislation enacted by the 2015 Legislature and signed or vetoed by the Governor. In preparation for next year, we include a listing and explanation of some of the significant education and tax policy bills that moved through the process, ultimately did not pass, but may resurface in the future. The 2015 Session was the first of the two-year biennium of the 86<sup>th</sup> Iowa General Assembly. During the 2016 Legislative Session, bills that were introduced in 2015 and moved partially through the process (approved during floor debate in the chamber of origin in the prior year) remain eligible for consideration. SF 477, State Penny Extension, is a good example of a bill left in committee at the conclusion of the 2015 Session that remains eligible for consideration:

- [SF 477](#) was approved by the full Senate, 37:13. The bill would extend the State Penny Sunset until Dec. 31, 2049. The bill was assigned directly to the House Ways and Means Committee, bypassing any consideration by the House Education Committee.

**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 July 5, 2015, but the Governor signed and vetoed bills, taking his final action on Thursday, July 2, much of which is detailed regarding HF 666 later in this Digest.
- 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.
- The Legislature may petition to convene a special session, which requires signatures of 2/3rds of the legislators. Additionally, the Iowa Constitution requires a 2/3rds majority vote in both chambers to override a veto.

## Executive Summary

The 2015 Session focused on major state policy issues outside of the area of education, such as increasing the gas tax to repair Iowa roads and bridges as well as tough conversations about rising Medicaid costs and closing mental health institutions, all of which created some difficulties in building consensus on other issues. Conservative budget principles were laid on the table as absolutes and pent up demand for services across many areas of state government, education primary among them, escalated. It was relatively quiet in the education policy arena, aside from focusing for several months on the school start date, a policy discussion forced by the Governor's promise to deny early start date waiver requests for the 2015-16 school year. Delayed funding decisions were the primary focus of many education advocates, although school leaders continued to talk about flexibility, the needs of children living in poverty, English-language learners, and extension of the state penny, as critical policies to support schools.

The **Public Education Coalition**, including the Area Education Agencies of Iowa, the Iowa Association of School Boards, the Iowa State Education Association, the School Administrators of Iowa, the Rural School Advocates of Iowa and the Urban Education Network worked together on funding advocacy during the legislative session. The Coalition coordinated key messages and a weekly education fact publication sent to Iowa's senators, representatives and the Governor. Access the following links to see the Education Coalition's work:

### Education Coalition Weekly Facts

[04/13/2015 - Passionate About School: Impact of Fine Arts and Extracurricular Activities on Student Success](#)

[04/06/2015 - Funding Education is Affordable](#)

[03/23/2015 - Revenues Known: Now is the Time](#)

[03/16/2015 - It's All About Timing](#)

[03/02/2015 - Apples to Apples: Various Rankings & Comparisons](#)

[02/16/2015 - Categorical Funds and Ripple Effects in the Formula](#)

[02/09/2015 - Our Northern Neighbors, Money and Achievement](#)

[02/02/2015 - Economics 101](#)

[01/26/2015 - Money Matters](#)

[01/19/2015 - Iowa's Schools Elevate Student Learning](#)

[01/13/2015 - Iowa's Per Pupil Funding is Plummeting](#)

Though required by law, the State Cost per Pupil for the out year (2016-17) was not set during the 2015 Legislative Session. The State Cost per Pupil for 2015-16 was determined very late in the Session, as SF 171 (State Cost per Pupil) and SF 172 (Categorical State Cost per Pupil) were sent to the Governor on June 5, the final day of the Session. A few policy bills in addition to the school start date restrictions made it to the Governor's desk, including PPEL transportation expenditures, DHS regulation of child care and use of management fund to pay for mediation and arbitration costs. There was a concerted effort by the Governor's office to move anti-bullying/anti-harassment legislation and broadband Internet access incentives through the legislative process, but only the latter attained a consensus position between the House and Senate.



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

- [SF 2284](#) enacted in 2012 included a literacy focused initiative, requiring third-grade retention of students not proficient in reading beginning in school year 2016-2017; creation of the Iowa Reading Research Center; and new efforts in Science, Technology, Engineering and Mathematics (STEM).
- [HF 215](#) enacted in 2013 made sweeping policy changes including a new teacher leadership/compensation system. Districts representing 1/3 of Iowa students began implementing in the 2014-15 school year and another group of districts representing an additional 1/3 of students will begin implementation. This year, the legislature passed a budget but aside from some minor technical corrections, did not undertake many education policy changes. The same is true of property tax reform, with large changes made in 2013 being phased in over several years.

**Budget Summary: Upon completion of the governor's approval and veto action:** The state General Fund Budget, (net appropriations and expenditures, including reversions) for FY 2016 is \$7.165 billion, which is an increase of \$119.7 million compared to FY 2015 net adjusted appropriations. The FY 2016 appropriated amount is \$272.5 million under the 99% expenditure limitation (the maximum allowed under Iowa law) and will result in a deposit of an additional \$351.7 million into the state's ending balance after all appropriations. These calculations include the Governor's line-item vetoes and came from the LSA's End of Session information, found here: <https://www.legis.iowa.gov/publications/fiscal/endOfSession>

## State Budget Details

**Estimated Position of State's Cash Balance for FY 2016:** The state's Cash Reserve Fund, which is limited by law to a maximum of 7.5% of total budget, is calculated to be full at \$539 million. The Economic Emergency Fund, after transfer of \$330 million surplus to the General Fund, is also full, leaving an estimated ending balance of \$179.7 million, which is the maximum 2.5% allowed in Iowa law (according to the draft [LSA end of session balance sheet](#)). The combined reserve fund balances are estimated to be \$718.7 million on the end of FY 2016.

**Summary Statement about State of Iowa Fund Balances:** Iowa State General Fund Surplus for FY 2015, after the Governor's vetoes, carried forward into FY 2016 is \$364.3 million. The FY 2016 surplus, estimated to be carried forward into FY 2017, is \$351.7 million (amounts in addition to the fully funded Economic Emergency Fund and Cash Reserve Fund balances noted above.) Conversations referring to a "structural deficit", a term defined as an expenditure level in excess of revenues received in a single fiscal year, typically ignore reference to surpluses.

**Expenditure Limitation:** The FY 2016 net budget appropriation, after Governor's vetoes, is \$7.165 billion. That is \$272.5 million below the 99% expenditure limitation. Note: The Governor's original budget recommendation was closer to the limitation, estimating only \$149.1 million below. Had he signed the entire \$134.9 million one-time funding for schools, community colleges, universities and others, rather than vetoing \$78.9 million of it, the budget still would have come in about \$50 million below his original budget recommendation.

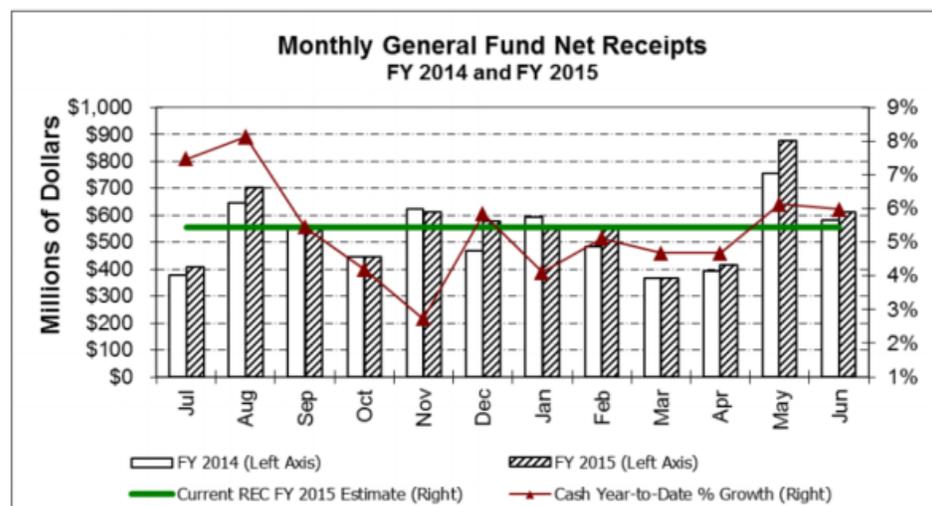
**State of State Revenues:** LSA's July 1 Monthly General Fund Revenue Memo provides this analysis of state General Fund Revenues through June 30, 2015  
<https://www.legis.iowa.gov/docs/publications/MM/680213.pdf>

“The attached spreadsheet presents FY 2015 General Fund total net receipts with comparable figures for actual FY 2014. The figures can be compared to the FY 2015 estimate of \$6.644 billion set by the Revenue Estimating Conference (REC) on March 19, 2015. The FY 2015 estimate is an increase of \$343.4 million (5.5%)

Year-to-Date Ending:	Year-to-Date FY 2014	Year-to-Date FY 2015	Dollar Change	% Change	Year-to-Date Change at REC Estimate for the Entire Year	Year-to-Date Above (Below) Estimated Change
July	\$378.2	\$406.6	\$28.4	7.5%	\$20.6	\$7.8
Aug	1,026.1	1,109.5	83.4	8.1%	55.9	27.5
Sept	1,579.2	1,665.4	86.2	5.5%	86.1	0.1
Oct	2,024.0	2,108.9	84.9	4.2%	110.3	-25.4
Nov	2,647.9	2,719.9	72.0	2.7%	144.3	-72.3
Dec	3,115.9	3,298.0	182.1	5.8%	169.8	12.3
Jan	3,708.0	3,860.4	152.4	4.1%	202.1	-49.7
Feb	4,191.8	4,406.6	214.8	5.1%	228.5	-13.7
Mar	4,558.9	4,772.4	213.5	4.7%	248.5	-35.0
Apr	4,954.0	5,185.8	231.8	4.7%	270.0	-38.2
May	5,710.0	6,060.4	350.4	6.1%	311.2	39.2
Jun	6,293.5	6,670.2	376.7	6.0%	343.0	33.7
Year end	6,300.1					

compared to actual FY 2014 total net receipts (excludes transfers). The next REC meeting has not been scheduled.”

The monthly general fund net receipts comparison to the REC estimate shows that receipts finished the year strong, right on target with the estimate set by the REC at their March 2015 meeting:



Please note: Since the State of Iowa uses GAAP accounting, the close of the FY 2015 fiscal year will be adjusted as receipts

attributable to the fiscal year's activity will be added to the balance and refunds attributable to the fiscal year's activity will be subtracted. Jeff Robinson, senior fiscal analyst with the LSA, stated in his post-June 30 monthly revenue memo video addition, the current net receipts are now \$87 million above the REC estimate, reflecting an overall growth rate of 6% for the FY 2015 fiscal year. See the July 7, 2015 Monthly Revenue Video Edition here:

<https://www.legis.iowa.gov/publications/fiscal/monthlyRevenueMemo/video?year=2015&docID=680213>

The three largest revenue generators, which comprise over 95% of the state's total tax receipts, showed the following YTD growth as reported in the LSA's Twelve-Month Total Net Receipts Through June 30, 2015 published on July 30, 2015 <https://www.legis.iowa.gov/docs/publications/TT/680552.pdf>



## Year-Over-Year Comparison — Net Tax Revenue

“During the 12-month period ending June 2015, net revenue from all taxes deposited to State funds totaled \$7.818 billion, an increase of \$493.2 million (6.7%), compared to the prior 12 months. Major contributors to the year-over-year dollar and percentage changes include:

- Individual Income Tax (positive \$255.0 million, 8.0%) – After two years of significant swings caused in large part by changes in federal income tax rates, the Iowa individual income tax has returned to its role as the main driver of Iowa tax revenue growth.
- Corporate Income Tax (positive \$50.1 million, 11.6%) – At 11.6%, the annual growth in corporate income tax deposits is at its highest level since May 2013.
- Sales/Use Tax (positive \$111.5 million, 4.5%) – Despite a weak June, sales/use tax growth continues to be strong, including the State General Fund portion and the sales tax (fee for new registration) on automobiles that is deposited in the Road Use Tax Fund.
- Bank Tax (positive \$4.1 million, 12.5%) – After a significant decline that began in March 2014, the annual growth in bank tax net revenue turned positive in April 2015. Over the most recent 12 months, tax deposits have increased while tax refunds have remained stable.”

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

[https://www.legis.iowa.gov/docs/LSAReports/k12Education/PublicSchlFunding\\_LawChanges\\_1971\\_to\\_Present.pdf](https://www.legis.iowa.gov/docs/LSAReports/k12Education/PublicSchlFunding_LawChanges_1971_to_Present.pdf)

**Enrolled Bills:** The following bills impacting Education have been signed by the Governor unless there is a note detailing veto action. The Enrolled bills explained below are organized into Appropriations and Policy Acts (although some policy changes do impact appropriations.) A list of bills that received action but were not enacted follows under the Near Misses & Pending Issues section of this Digest. For access to the complete text and effective dates of all legislation approved or vetoed by the Governor, check the [enrolled bills](#) link on the legislative website.

## APPROPRIATIONS ACTS

### 2015 Funding/Appropriations Bills Impacting Education

**SF 171** and **SF 172 State Supplemental Assistance:** These bill establish the state supplemental aid increase as 1.25% per pupil for FY 2016 and 1.25% for categorical fund increases (Teacher Salary Supplement, Professional Development Supplement and Early intervention/Class Size Supplement per pupil) for FY 2016 respectively. Since the 2014-15 state cost per pupil was \$6,366, this \$80 per pupil increase brings the 2015-16 state cost per pupil to \$6,446. There was no action to set a percentage increase for FY 2017. See the section on Near Misses beginning on page 23 for more information. A spreadsheet indicating the fiscal impact of the 1.25% increase in the state cost per pupil for FY 2016 may be found here: <http://mercury.isfis.net/lt.php?id=KRgBBVtNBwBUHqkCAAE>

The 1.25% increase in the cost per pupil results in 163 school districts with declining enrollment eligible for the budget guarantee, for a total of \$16.5 million in local property tax dollars to fund the difference between the prior year's regular program budget and a 1% increase. The guarantee is one-time only and recalculated annually, so serves as a short term cushion against a steeper reduction in funding. Even with the budget guarantee in place, 35 districts will receive a drop in regular program district cost compared to the prior year, the largest being an 11.3% decrease.

For future reference, the 1.25% increase is an increase of \$63.5 million in statewide regular program district cost. Had the Governor approved the \$55.7 million in HF 666 rather than vetoing (more information below), the two revenue sources together would have been effectively equivalent to 2.625% increase in the cost per pupil.

The Governor signed SF 171 and SF 172 on July 2. Many of the education groups registered opposed to both bills as the funding level is not adequate to sustain the quality of education Iowa students need for future success.

The following table, from the [LSA Fiscal Note](#), June 5, 2015, shows the detail of state funding impact and property tax impacts, associated with the 1.25% increase in the State Cost per Pupil for both regular program and categorical funds:

**Legislative Services Agency: Estimated FY 2016 School Aid Estimates  
Statewide Totals (Dollars in Millions) - Based on SF 171 CCR and SF 172 CCR**

Program Funding:	FY 2016 Estimates Assumes 1.25% State Percent of Growth				
	FY 2014	FY 2015	Totals	Est. Change	% Change
Regular Program District Cost	\$ 2,926.1	\$ 3,059.8	\$ 3,110.0	\$ 50.2	1.6%
Regular Program Budget Guarantee	11.2	3.2	16.5	13.3	420.4%
Total Supplemental Weighting	66.8	75.6	81.3	5.7	7.5%
District Special Education	389.3	398.9	398.7	-0.1	0.0%
Dropout and Dropout Prevention	97.2	103.5	105.1	1.6	1.6%
Teacher Salary Supplement (District)	252.1	263.0	267.8	4.8	1.8%
Professional Development Supplement (District)	28.6	29.8	30.4	0.5	1.8%
Early Intervention Supplement (District)	31.1	32.4	33.0	0.6	1.8%
Teacher Leadership Supplement (District)	N.A.		50.2	50.2	
AEA Special Education (with adjustment)	147.5	153.1	155.4	2.4	1.6%
AEA Media Services	25.5	26.7	27.2	0.5	1.8%
AEA Education Services	28.2	29.5	30.0	0.5	1.8%
AEA Sharing	0.2	0.1	0.1	0.0	1.2%
Total AEA Reduction	-22.5	-22.5	-7.5	15.0	-66.7%
Teacher Salary Supplement (AEA)	14.2	14.8	15.0	0.3	1.7%
Professional Development Supplement (AEA)	1.7	1.7	1.8	0.0	1.7%
<b>Combined District Cost</b>	<b>\$ 3,997.2</b>	<b>\$ 4,169.4</b>	<b>\$ 4,315.0</b>	<b>\$ 145.6</b>	<b>3.5%</b>
Statewide Voluntary Preschool Program	\$ 66.1	\$ 70.0	\$ 73.1	\$ 3.2	4.5%
<b>Funding Sources:</b>					
State Aid from General Fund	\$ 2,716.9	\$ 2,865.5	\$ 2,965.3	\$ 99.8	3.5%
Excess from SAVE Fund	8.7	8.2	6.3	-2.0	-23.8%
<b>Total State Aid</b>	<b>\$ 2,725.6</b>	<b>\$ 2,873.8</b>	<b>\$ 2,971.6</b>	<b>\$ 97.9</b>	<b>3.4%</b>
Uniform Levy Amount	\$ 759.4	\$ 783.7	\$ 814.1	\$ 30.4	3.9%
Additional Levy Total	578.6	582.5	602.5	19.9	3.4%
Comm/Ind - Uniform Levy Portion		-9.3	-19.1	-9.8	105.8%
Comm/Ind. Additional Levy Portion		-7.3	-15.0	-7.7	105.6%
<b>Total Levy to Fund Combined District Cost</b>	<b>\$ 1,338.0</b>	<b>\$ 1,349.7</b>	<b>\$ 1,382.4</b>	<b>\$ 32.7</b>	<b>2.4%</b>
<b>Misc. Information:</b>					
Budget Enrollment	476,245.0	478,920.9	480,771.9	1,851.0	0.4%
Number of Districts with Budget Guarantee	133	66	165	99	150.0%
State Categorical Total (in Millions)	\$ 327.5	\$ 341.8	\$ 398.2	\$ 56.4	16.5%
AEA Funding (In Millions)	\$ 194.8	\$ 203.3	\$ 222.0	\$ 18.7	9.2%
Property Tax Replacement Payment (PTRP)	\$ 8.3	\$ 25.4	\$ 31.1	\$ 5.6	22.1%

Notes:  
Contact the LSA for more information

**SF 173 Property Tax Replacement Payments:** this bill provides additional property tax relief based on the per pupil increase that results from the establishment of the State percent of growth in FY 2016. The bill requires the additional levy portion of the FY 2016 State cost per pupil amount to be frozen at \$750 per pupil, regardless of the per pupil increase for FY 2016. Without enactment of this provision, the increase in the FY 2016 State cost per pupil due to the State percent of growth will include a per pupil property tax increase equivalent to 1/8th (12.5%) of the total per pupil increase. Since the state cost per pupil was set at 1.25%, this equates to

an additional \$10 per pupil in property tax relief. The impact to the state is an additional \$5.6 million at the 1.25% per pupil increase.

**SF 176 Property Tax Replacement Payments:** This bill provides additional property tax relief based on the per pupil increase that results from the establishment of the State percent of growth in FY 2017. The bill requires the additional levy portion of the FY 2017 State cost per pupil amount to be frozen at \$750 per pupil, regardless of the per pupil increase for FY 2017. Without enactment of this provision, the increase in the FY 2017 State cost per pupil due to the State percent of growth will include a per pupil property tax increase equivalent to 1/8th (12.5%) of the total per pupil increase. If SF 174 and SF 175, which set the state cost per pupil for FY 2017 at 4.0% had been approved, this would equate to an additional \$32 per pupil in property tax relief. The impact to the state would have been an additional \$36.6 million at the 4% per pupil increase. This bill was signed by the Governor on June 26, however, the FY 2017 state cost per pupil has not been set.

**HF 658 Education Appropriations:** The Governor signed this bill in its entirety. In short, this bill provides funds for Iowa’s state universities and community colleges, but includes many line-item appropriations impacting PK-12 education. The bill appropriates at total of \$992.2 million for FY 2016 from the state General Fund, which is an increase of \$6.1 million. The bill also appropriates \$40.3 million from the Skilled Worker and Job Creation Fund, which is the same as current year. All FY 2017 appropriations are exactly one half of the FY 2016 level, except for the High Needs Schools Grants, not funded in FY 2016, but appropriated the full \$10 million for FY 2017. The NOBA detail provided to the conference committee members, including the Governor’s budget recommendations, is found [here](#).

**Line Item Education Funding Appropriations:** Specific items of interest to school leaders include:

- \$392,452 for **Teacher Shortage Loan Forgiveness** (no change compared to FY 2015) and \$400,000 for **Teacher Iowa Scholars** (a reduction of \$900,000 compared to FY 2015). Both of these programs are available to eligible new teachers under certain circumstances.
- **DE Administration** appropriation of \$6.3 million, which is a reduction of \$2.0 million compared to FY 2015. However, there was \$2.0 million appropriated directly for the Early Literacy Warning System which was included in the DE’s administrative line-item budget in the prior year, so in essence, no change in funding compared to FY 2015.
- All **Early Childhood Iowa** (ECI) line items received the same funding as FY 2015 (\$5.4 million for general aid, \$5.4 million for PK Tuition Assistance, \$12.4 million for Family Support and Parent Education and \$1.7 million for special education services Birth to Age 3.)
- \$650,214 to the DE for **textbooks for nonpublic** school pupils (same as FY 2015) and continues the limitation of no more than \$20.00 per pupil and specifies reimbursements are not to exceed comparable services offered to resident public school pupils.
- \$8.0 million for DE to send to school districts for **Successful Progression for Early Readers** (same as FY 2015)
- \$2.0 million to the DE for an **Early Warning System for Literacy** (new line-item appropriation, previously included within the DE administration line-item appropriation).

Requires the DE to provide reading assessments for PK-6, to detect students deficient in reading. The DE is required to provide the assessments at no cost to public and accredited nonpublic schools, however, if the license costs more than the fund appropriated here, the DE is allowed to charge school districts a fee per student assessed to cover the difference.

- \$1.0 million to the **Iowa Reading Research Center** (same as FY 2015) and specifies that remaining funds do not revert until the end of FY 2017.
- \$57.4 million to the DE for **Student Achievement Teacher Quality** which includes \$50.6 million for the new Teacher Leadership and Compensation participating districts beginning July 1, 2015. (See table below for specific allocations from the TLC appropriation.) This is an increase of \$600,000 compared to FY 2015, made up of an increase in funding for TLC grants of \$673,809 and a decrease in funding for TLC technical assistance (\$-73,809).

A detailing of the allocations follows:

<b>Student Achievement Teacher Quality Allocations</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>Difference FY16 – FY15</b>
Teacher Leadership and Compensation Grants			\$ 50,000,000	\$50,600,000	\$600,000
National Board Certification	\$ 500,000	\$ 846,250	846,250	846,250	0
Ambassador to Education	85,000	85,000	85,000	85,000	0
Mentoring and Induction	2,463,590	3,537,875	4,021,875	4,021,875	0
Career Development and Evaluator Training	600,000	786,816	786,816	786,816	0
Teacher Development Academies	1,136,410	1,136,410	1,136,410	1,136,410	0
<b>Total</b>	<b>\$ 4,785,000</b>	<b>\$ 6,307,351</b>	<b>\$ 56,791,351</b>	<b>\$57,391,351</b>	<b>\$600,000</b>

- \$1.0 million to AEAs for an **AEA support system for TLC** implementation. (Same as FY 2015)
- \$425,000 to DE for **Competency-based Education**, which is no change in funding, but they also included 1.0 FTE to support a staff position at DE compared to FY 2015. Requires the DE to collaborate with AEAs to implement the recommendations of the Competency-based Education Task Force and specifies that funds appropriated for this purpose do not revert until the end of FY 2017.
- \$1.0 million to AEAs, presumably for **AEA support to districts** in implementing the Iowa Core, although no specific language directs that appropriation (same as FY 2015)
- \$1.5 million for the **Iowa Learning Online** Initiative (same as FY 2015)
- \$1.0 million for **Administrator Mentoring/Coaching Support System** (same as FY 2015.) The appropriation provides support only for school districts participating in the teacher leadership and compensation program through FY 2017. For FY 2018, and each subsequent fiscal year, the coaching and support system for administrators is available to any school district.

- \$500,000 to continue the **English-Language Learner Grant Program** (same as FY 2015) and requires the 25 school districts with the largest number of LEP identified students receiving school aid funding or ELL grant program funding to submit a report to the DE. The report is to include:
  - Cost accounting of funding used on LEP programming by the district
  - Identification of all native language represented by the LEP students served
  - The average number of years an English-language learner receives programming
  - The number of FTE positions that directly serve limited LEP students and the student to teacher ratios
  - Review of the number and percentage of LEP students achieving English language proficiency over the previous five years
  - Listing of English-language learner programs not developed by the district that are being utilized by the school district for LEP students.
- \$250,000, which is a decrease of \$250,000 for the **Attendance Center Performance/General Website & Data System Support**.
- Notes about what did not get funded: There was no appropriation for Bullying Prevention, Iowa Reading Corps, Principal Leadership Institute, or OECD test for schools, all of which were initiatives in the Governor's recommendation. Likewise, the Governor had recommended funding high needs schools grants at \$10 million (postponed by the Legislature until 2017) and an appropriation for curriculum and standards support for social studies. Both of those were not funded by the legislature. Additionally, the Governor had recommended an appropriation for continuing the Career Planning support for districts as they implement the 8<sup>th</sup> grade career plan throughout a student's high school experience. Instead of a direct appropriation of \$600,000 to continue the system, the Legislature scooped fees paid to the Board of Educational Examiners to fund the Career Planning System in FY 2016.

The table on the following page provides the detail of appropriations in HF 658, including estimated FY 2015 expenditures, the Governor's recommendation for FY 2015, final action with the Governor's signature of HF 658, Education Appropriations, and the difference between final action and the FY 2015 estimated expenditures.

Shaded items in the table indicate education reform initiatives enacted in 2013 and 2014. Also notable, the Governor's recommended budget was \$15.7 million above the final amount enacted by HF 658. More detail is found in LSA's Notes on Bills and Amendments  
[https://www.legis.iowa.gov/docs/NOBA/86\\_HF658\\_Final.pdf](https://www.legis.iowa.gov/docs/NOBA/86_HF658_Final.pdf)



**Appropriation Detail HF 658:**

	Estimated FY15	Gov. Rec FY16	HF 658	HF 658 – FY15
Teacher Shortage Loan Forgiveness	\$392,452	\$392,452	\$392,452	\$0
Teach Iowa Scholars	1,300,000	2,600,000	400,000	-900,000
DE Administration	8,304,047	9,504,047	6,304,047	-2,000,000
Vocational Education Administration	598,197	598,197	598,197	0
Vocational Education Secondary	2,630,134	2,630,134	2,630,134	0
Food Service	2,176,797	2,176,797	2,176,797	0
ECI (Early Childhood Iowa) General Aid	5,386,113	5,386,113	5,386,113	0
ECI Preschool Tuition Assistance	5,428,877	5,428,877	5,428,877	0
ECI Family Support and Parent Ed	12,364,434	12,364,434	12,364,434	0
Special Ed. Services Birth to 3	1,721,400	1,721,400	1,721,400	0
Nonpublic Textbook Services	650,214	650,214	650,214	0
Student Achievement/Teacher Quality	56,791,351	54,442,576	57,391,351	600,000
Jobs For America's Grads	700,000	700,000	700,000	0
Attendance Center/Data Systems	500,000	500,000	250,000	-250,000
Administrator Mentoring	1,000,000	1,000,000	1,000,000	0
English Language Learner Pilots	500,000	500,000	500,000	0
Council and Task Force Support	50,000	50,000	25,000	-25,000
AEA Support System Teacher Leadership	1,000,000	1,000,000	1,000,000	0
Successful Progression for Early Readers	8,000,000	8,000,000	8,000,000	0
Early Literacy Warning System	0	0	2,000,000	2,000,000
Iowa Reading Research Center	1,000,000	2,500,000	1,000,000	0
High Needs Schools	0	10,000,000	0	0
Iowa Academic Standards	0	1,500,000	0	0
State Career Planning System 9-12	0	600,000	0	0
Midwestern Higher Education Compact	100,000	100,000	100,000	0
AEA Distribution	1,000,000	1,000,000	1,000,000	0
Community College General Aid	201,274,647	201,274,647	201,274,647	0
Community College Salary Increase	500,000	500,000	500,000	0
Early Head Start Projects	600,000	600,000	600,000	0
Competency-Based Education	425,000	425,000	425,000	0
Iowa Learning Online Initiative	1,500,000	1,500,000	1,500,000	0
Regional Telecommunications Councils	992,913	992,913	992,913	0
Bullying Prevention	0	200,000	0	0
Online State Job Posting System	250,000	250,000	250,000	0
Iowa Reading Corps	0	1,000,000	0	0
OECD Test for Schools	0	69,000	0	0
Principal Leadership Institute	0	100,000	0	0
UI - IA Online Advanced Placement Acad.	481,849	481,849	481,849	0
UNI - Math and Science Collaborative	5,200,000	5,200,000	5,200,000	0
	<b>\$322,818,425</b>	<b>\$337,938,650</b>	<b>\$322,243,425</b>	<b>\$ (575,000)</b>

**Education Policy Changes in HF 658:** Additionally, the following policy language was included in the bill:

- Requires the DE to submit a written report to the General Assembly describing the Department’s anti-bullying programming and current and projected expenditures on anti-bullying programming for FY 2016.
- **Preschool Flexibility:** allows school districts to transport PK students along with students not in the PK program and permits the cost of the transportation to be prorated. Allows administrative funds to be used for outreach activities and rent for facilities not owned by the school district. Permits up to 10.0% of the amount of PK foundation aid passed through to a community-based provider to be used for administrative costs (but maintains the current administrative spending cap of 5% for school district public PK expenditures.)
- Requires DE to use **TLC carryforward funds** from FY 2015 to fund FY 2016 teacher leadership supplemental aid payments to school districts and allows DE to prorate TLC payments if funds available for FY 2016 are insufficient to pay them in full.
- **At-risk and Dropout Prevention Program Flexibility** (DE Director, Ryan Wise, included in the Department’s Annual Letter to the Field on Legislative Changes, dated July 16, an indication that additional guidance on this change would be forthcoming.)
  - Broadens the uses of Dropout/Dropout Prevention funds to match the uses of at-risk supplementary weighted funds. Includes in Iowa Code 257.11(a) “In order to provide additional funding to school districts for programs serving at-risk pupils, alternative program and alternative school pupils in secondary schools, and pupils identified as potential dropouts or returning dropouts as defined in section 257.39, a supplementary weighting plan for such pupils is adopted.” Then in Chapter 257.38 and 257.40, adds the at-risk definition and strikes the references to returning dropout or at-risk of dropping out.
  - Permits up to 5.0% of the total amount (at-risk and dropout prevention combined) to be used for district-wide or building-wide at-risk and dropout prevention programming targeted to pupils that are not deemed at-risk. DE guidance refers to this flexibility as using weighted funds for “proactive interventions”.
  - In concert with HF 445, allows a school district with a private facility within its boundaries to bill back to the resident school district the actual cost of instruction for general education students rather than the current limitation of district cost per pupil per day. According to DE guidance issued July 16, 2015, this new adjustment covers both PMIC and non-PMIC residential general education students. The DE guidance also explains that this adjustment to language does not affect anything related to the agreement between the district and the private facility and promises additional guidance will be forthcoming.
  - Permits a school district to use these funds to pay for the instructional costs necessary to address a pupil’s behavior if determined by the school district to be likely to inflict self-harm or likely to harm another pupil under certain conditions: The pupil does not require special education, the pupil is not in a court-ordered placement under the area and custody of DHS, the pupil is not in the state training school or juvenile home, the pupil is not placed in a facility licensed under Iowa Code chapters 135B, 135C or 135H.

- Removes the requirement that the DE submit an annual report that includes the ways school districts used dropout prevention funds in the previous school year.
- Requires the DE to employ a 1.0 FTE position staff member or a **consultant for gifted and talented** children program support.
- Transfers \$600,000 from BOEE licensing revenues that are unencumbered or unobligated at the end of FY 2015 to the DE for purposes of continuing the **Career Planning Program** required for students in 8<sup>th</sup> grade.
- Requires local school boards to publish notice of intent to fill a **school board vacancy** by appointment. The notice must state that the electors of the school district have the right to file a petition requiring that the vacancy be filled by special election. The petition for a special election must be signed by at least 100 eligible electors or eligible electors equaling at least 30% of voters at the preceding regular school election, whichever is greater. The petition must be filed within 14 days after notice of the publication. However, if the next regular school election is within 180 days or less, then an appointment to fill the vacancy until the next regular school election may be made.

## Other Appropriations Bills Impacting Schools

**SF 510 Standings Appropriations:** this bill makes adjustments to appropriations that otherwise stand without legislative action, for a total reduction of \$31.3 million in FY 2016 and reduction of \$19.5 million in FY 2017. Actions of interest to school leaders:

- Limits the **Child Development Block Grants** appropriation to \$12,606,196 (no change from FY 2015) for both FY 2016 and FY 2017.
- Suspends the general fund standing appropriation of \$14.8 million for the **Instructional Support Program** for both FY 2016 and FY 2017 (means state share is zero).
- Reduces the FY 2016 state school aid **funding to AEAs** by \$15 million below the amount the school aid formula would otherwise generate and requires the reduction be prorated based on the reduction each AEA received in Fiscal Year 2003. The [LSA's NOBA](#) DETAIL states: "In addition to the \$15,000,000 State aid reduction for FY 2016, the AEAs have an annual statutory reduction of \$7,500,000. The State aid reduction to the AEAs will total \$22,500,000 for FY 2016."
- Allows unobligated funds from the FY 2016 **Iowa Learning Online** Initiative to carry forward and remain available for the next two fiscal years. Does not apply to unobligated funds on June 30, 2015, which revert to the state General Fund on July 1, 2015.
- Limits the appropriation for **Nonpublic School Transportation** to \$8.6 million for both FY 2016 and FY 2017. The [LSA's NOBA](#) DETAIL states: "This maintains the same level of funding as FY 2015, but represents a decrease of \$1.4 million compared to the estimated standing appropriation of \$9,960,931 specified in current law."

- The bill makes no reductions to various **property tax credits**, so allows full standing appropriations for both FY 2016 and FY 2017 at the following levels: Ag Land Tax Credit (\$39.1 million), the Homestead Tax Credit (\$131.4 million), the Elderly and Disabled tax Credit (\$24 million), the Commercial and Industrial Tax Credit (\$162.5 million in FY 2016 and \$152.6 million in FY 2017) and the Business Property Tax Credit (\$100 million in FY 2016 and \$125 million in FY 2017).
- Requires the **Revenue Estimating Conference** (REC) to hold one of its three meetings in March of each year and to provide a revenue estimate for two years beyond the current fiscal year in progress at the March meeting.
- Requires the DE to dedicate a minimum of 0.5 FTE position to maintain a **fine arts consultant**.
- Specifies that individuals applying for a grant through the **Teach Iowa Scholar Program** and that meet eligibility requirements on or after January 1, 2013, are eligible to receive a grant award. Persons that met the requirements prior to January 1, 2013, are ineligible for the Program.
- Continues **Online Academies** at CAM-Anita and Clayton Ridge: limits the statewide enrollment of pupils in internet instruction to no more than 0.18% of statewide enrollment and no more than 1.0% of a district's enrollment unless the limitation will prevent siblings from enrolling in the same school district or a district determines online instruction will suit the needs of a physically or emotionally fragile student. Exceptions to the limitations expire June 30, 2018. Requires the DE to work with the International Association for K-12 Online Learning to annually collect data on student performance in education instruction and course content delivered primarily over the internet. The data must be included in the Department's annual Online Learning report to the General Assembly. School districts that provide online instruction must comply with certain requirements. This section is effective retroactively to June 30, 2015.

**HF 666 One-time Appropriations:** This bill appropriates \$134.9 million in FY 2015 General Fund supplemental appropriations. Of that amount, \$55.7 million was to be appropriated to the DE for State Aid to school districts and AEAs. Requires \$53.6 million to be used to provide a funding supplement to each school district in FY 2016 based on enrollment. Requires \$2.1 million to provide a supplement to AEAs. Allows school districts to expend the funds to relieve the property taxes associated with budget guarantee or for any of the following instructional purposes:

- (1) Textbooks, as defined in section 301.1.
- (2) Library books.
- (3) Other instructional materials and equipment used directly by students.
- (4) Transportation costs of the school district.
- (5) Educational initiatives proven to increase student achievement in mathematics, literacy, or science in prekindergarten through grade twelve.

AEA amounts received under this section are intended to be used by area education agencies for any special education services, media services, or education services purpose that the area education agency is authorized to provide.

Required the funds be considered miscellaneous income and not included in the district's combined district cost. Specifies the funds are intended to supplement, not supplant, existing school district funding for instructional expenditures.

***The Governor vetoed this entire section, stating in his veto message:***

*"I am unable to approve the item designated as Section 11, in its entirety. I recommended a two-year budget on the second day of this legislative session including an increase in supplemental state aid for both years. Throughout the session, I encouraged the legislature to provide supplemental state aid for pre-kindergarten through 12th grade for the next two years as required by law. By using one-time money and not providing supplemental state aid for the second fiscal year, the legislature compounded the uncertainty that school districts faced this entire legislative session.*

*My administration's commitment to giving Iowa students a world-class education is demonstrated by significant, targeted growth in funding for initiatives to raise achievement. Iowa's new Teacher Leadership System is the single largest reform measure, with an investment of more than \$150 million when fully phased in during the 2016-2017 school year. With many of our best teachers serving in leadership roles, such as instructional coaches and mentors, Iowa can better support the more demanding work teachers must do today to prepare all students for a knowledge-driven economy.*

*Other targeted education reform measures my administration proposed for the next fiscal year at a cost of more than \$18 million include: an initiative to ensure children are able to read by the end of third grade, ongoing expansion of Iowa Learning Online program to offer more course options to high school students, and the Teach Iowa Scholars Program which provides up to \$20,000 to top graduates of Iowa teacher preparation programs who teach hard-to-fill subjects in Iowa schools for five years.*

*With any budget, it is important to look at the entire picture. For fiscal year 2016, Iowa schools will receive over \$3 billion, by far the biggest item in the state budget."*

He vetoed other sections of HF 666 as well. See his entire veto message at this link: <https://governor.iowa.gov/sites/default/files/documents/Item%20Veto%20Message%20for%20House%20File%20666.pdf>

**SF 513 Appropriations for Short Duration:** This bill requires the DOM, in consultation with LSA, to determine the amount of all line item appropriations, standing limited appropriations and standing unlimited appropriations otherwise limited by law, include federal and other funds, for FY 2016 and provides for the temporary appropriation on July 1 equal to 1/12<sup>th</sup> of the total appropriations. Considers the temporary appropriation as part of the total appropriation once finalized. This is a process not unlike the continuing budget resolution at the federal level when budget deadlines pass before appropriations are finalized. The bill was introduced on June 4, approved on June 4 in the Senate and approved in the House on June 5. The Governor signed it on June 18.

## Enacted Policy Bills Impacting PK-12 Education

**HF 167 Electronic Documents:** this bill requires that electronic documents be provided to bidders and suppliers, if available, at no charge, during the competitive bidding process for public improvement contracts. Effective July 1, 2015.

**HF 347 DHS Licensure of Child Care Programs:** this bill removes DE oversight, requires school districts providing before and after school care to follow DHS licensure regulations, requires background checks every 5 years, and allows schools to identify alternative space in policy and procedures, appropriate to meet the needs of children in the program if the primary space is required for another use. Effective January 1, 2016.

**HF 397 Child Labor:** this bill relieves the superintendent from the responsibility of signing work permits for children under the age of 16 and assigns that responsibility to the Labor Commissioner. Effective June 1, 2015.

**HF 421 Community College Instructors:** this bill allows time teaching technical courses to count toward hours of practice necessary to be a community college instructor. Effective July 1, 2015.

**HF 445 PMIC Payment for Education Services:** this bill requires district of residence to pay the actual cost of education provided in a placement/facility rather than the current limitation of the per-day amount of district cost per pupil. The bill allows at-risk/Dropout prevention funds to cover additional costs if the student is not receiving special education services (also see HF 658 above regarding dropout prevention flexibility). Allows a district to include the student in a foster care claim submitted to the DE if the student was not on their prior year's enrollment count. Effective July 1, 2015.

**HF 488 Iowa Reading Corps:** this bill requires the DE and Iowa Commission on Volunteer service to work with school districts in providing PK-3 literacy instruction. Requires schools already operating programs be given time to make necessary adjustments and requires models of instruction to align with literacy program goals and strategies developed by DE, the local school district and the Iowa Reading Research Center. Effective July 1, 2015.

**HF 515 Management Levy:** this bill allows Management Levy funds to be used for the costs of mediation and/or arbitration, including but not limited to legal fees. Effective for school budget years beginning on or after July 1, 2016.

**HF 550 School Board Member Contacts:** this bill requires, within 30 days of taking the oath of office:

- Government agency (General Assembly, County Boards of Supervisors, City Councils and School Boards) shall provide the board member with designated contact information with the government entity
- If the school maintains an internet site, the district is required to publish the contact information for elected officials on the web site
- Board member may provide additional contact information
- Defines contact information minimally as telephone number or email address



- Applies to General Assembly, County Boards of Supervisors, City Council members and School Board members. Effective July 1, 2015.

**HF 570 Recreational Liability Protections:** this bill provide protection from liability related to the injuries a person suffers from the normal and expected risks of any recreational activity on municipal property. The changes are written into chapter 670 of the Iowa Code, which includes school districts/boards in the definition of municipality. Effective July 1, 2015.

**HF 599 Reorganization/Dissolution and Sales Tax Obligations:** this bill addresses the process for identifying responsibility to paying sales tax obligations in the event of a reorganization or dissolution. Effective July 1, 2015.

**HF 646 PPEL Flexibility:** this bill allows transportation repair costs in excess of \$2,500 to be paid from PPEL. Defines “repair” as restoring to its original condition, as near as may be, after gradual obsolescence or physical and functional depreciation due to wear and tear, corrosion and decay or partial destruction, and includes maintenance of an item of equipment. Although DE’s annual letter to the field on legislative changes says additional guidance is forthcoming, specific mention of “an item of equipment” looks like the \$2,500 limit applies to one bus. This bill was approved in the Iowa House 95:0 on April 22, in the Iowa Senate 50:0 on May 5, and signed by the Governor on May 16, 2015. The bill is effective for school years beginning on or after July 1, 2015.

**HF 655 Broadband Internet Access Incentives:** this bill was one of the Governor’s priorities, including creation of property tax incentives in the form of an exemption for installation of broadband infrastructure that facilitates broadband services at or above 25 megabits per second of download speed and 3 megabits per second of upload speed commenced and completed on or after July 1, 2015 and before July 1, 2020, in a targeted service area, and used to deliver internet services to the public. A person claiming this exemption is required to certify to the local assessor prior to commencement of the installation that the broadband installation will take place within a targeted service area and shall specify the current number of homes, farms, schools, and businesses in the targeted service area that were offered broadband service and the download and upload speeds available prior to the broadband infrastructure installation for which the exemption is claimed. The certification must also include the number of homes, farms, schools, and businesses in the targeted service area that will be offered broadband service and the download and upload speeds that will be available as a result of installation of the broadband infrastructure for which the exemption is claimed. The tax exemption is 100% exemption from taxation for a period of 10 years in an amount equal to the actual value added by installation of the broadband infrastructure. **The bill also modifies the definition of school infrastructure in Iowa Code 423F.3(6), which is the state penny for school infrastructure chapter,** to include the acquisition or installation of information technology infrastructure, which means the basic, underlying physical framework or system necessary to delivery technology connectivity to a school district and to network school buildings within a school district. The bill was approved on June 4 first in the Senate with 48 in favor and 2 opposed, then in the House on a vote of 82 in favor and 12 opposed. The Governor signed it on June 22. Effective July 1, 2015 with the exception of Division II (Reinvestment Districts and Flood Mitigation) effective June 22, 2015.

**SF 131 BOEE Background Check:** this bill requires the Board of Education Examiners (BOEE) to consider Iowa Courts online information when conducting background checks on prospective teachers or teachers renewing their license. It was explained during the conversation that this bill effectively codifies existing BOEE practice. It was effective July 1, 2015.

**SF 227 School Start Date:** this bill requires school start instructional days no earlier than Aug. 23. There is an exception for attendance centers that are approved by the DE to maintain a year-round calendar for PK-8 students. The application for year-round calendar may be for one or two years at a time. Defines year-round calendar to include at least 10 days of instruction during 11 of 12 months of the school year, with breaks not exceeding 6 weeks. The bill eliminates waivers for early start date. Please Note: a public hearing is still required when the board takes any action on school calendar, days or hours, start time, make up snow days, etc. The bill was effective April 10, 2015.

Noteworthy: DE's July 2015 School Leader Update addresses the difference between extracurricular and co-curricular, but states that the start date limitations also apply to co-curricular activities:

“The starting dates for sports are set by the athletic associations. For other school-sponsored activities, the question boils down to whether the activity is co-curricular or extra-curricular. If the activity is co-curricular and required, then the school should not be scheduling the activity prior to Aug. 23. The rationale is simple – you cannot require a student to participate in a co-curricular activity that is part of her grade prior to the first day of school. However, if the activity is an extracurricular activity and not required, scheduling the activity before Aug. 23 is a local decision by the district's administration, or any relevant governing body.”

**SF 457 Ombudsman Office and Closed Sessions:** this bill allows the state Office of Ombudsman access, in the performance of its duties, to the minutes and audio recordings of a closed session. Effective July 1, 2015.

**SF 462 EPI Pens:** this bill allows schools to store epinephrine auto-injectors (aka., epi pens), train employees to use them, allows students to carry and self-inject with signed parent consent, and provides liability protection to the districts and personnel authorized to use the Epi-pens if they reasonably and under good faith believe the student or other individual is having an anaphylactic reaction. Effective July 1, 2015.

**SF 485 PPEL Bonds:** this bill allows a school district to exceed the statutory limitation on the rate of their PPEL levy, but does not allow the rate to be higher than in the previous year when it exceeded the statutory levy due to valuation decline, and only if refinancing the bonds would ultimately save the district interest on the bonds. Effective June 26, 2015.

## Near Misses and Pending Issues:

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

Note: Bills must be approved in the same form by both the House and Senate and signed by the Governor in order to be enacted. All of the following received some consideration, but did not clear one or both chambers.

**Background on Per Pupil Funding for FY 2016-17.** This action is required to be enacted in the year prior to the budget year, within 30 days of the release of the Governor's budget. The Legislature and Governor have not complied with this law, although that practice has only been recent. The Governor's budget was released on January 15, so the legal deadline to set the 2017 state cost per pupil was February 14, 2015. The deadline to set the FY 2016 state cost per pupil was 30 days following the Jan. 16, 2014 release of the Governor's budget, so February 15, 2014.

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

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

1. State percent of growth. The state percent of growth for the budget year beginning July 1, 2012, is two percent. The state percent of growth for the budget year beginning July 1, 2013, is two percent. The state percent of growth for the budget year beginning July 1, 2014, is four percent. The state percent of growth for each subsequent budget year shall be established by statute which shall be enacted within thirty days of the submission in the year preceding the base year of the governor's budget under section 8.21. The establishment of the state percent of growth for a budget year shall be the only subject matter of the bill which enacts the state percent of growth for a budget year.

**SF 174 SSA:** this bill sets 4% increase to the state cost per pupil (formerly known as allowable growth) for FY 2017, passed on partisan vote all Senate Democrats in favor and all Senate Republicans opposed. The bill received no attention in the House Education Committee. **SF 175** sets 4% growth for categorical supplements (PD, TSS and early intervention/class size) for FY 2017, same status as above.

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

**Pending Interim Committee on Inequalities:** Additionally, legislative leaders have initiated conversations about a possible Interim Committee before the 2016 Legislative Session to study inequities in the formula, including, but not limited to school transportation costs. The Studies Committee of the Legislative Council is meeting Aug. 10 to set interim study committees. We will report on their action later this summer. **Additional note 8/10/15:** *The Legislative Studies Committee authorized a 2-day interim study, with 5 Senate and 5 House members to be appointed. Their charge: Review current provisions of the school finance formula and consider alternatives for achieving a more equitable application across all public school districts in the state. Aspects of the study shall include transportation funding with a particular emphasis on small and rural school district transportation funding levels, school district property taxation levels, at-risk student funding challenges, and other school finance formula provisions which may result in funding disparities between school districts. Based on stakeholder input from the DE, school districts, education-related organizations and associations, and other interested stakeholders, the committee shall submit recommendations, if deemed appropriate, to the General Assembly by January 1, 2016.*

**[HF 139](#) Timeline for Enacting Allowable Growth:** this bill was approved by the House and would change the timing of the allowable growth decision to every odd numbered year, the upcoming cost per pupil set within 30 days and the cost per pupil for the out year set before the session adjourned. The Senate did not debate the bill in the Education Committee, where it still sits.

**[HF 549](#) Collective Bargaining Arbitration Proceedings for School and AEA Employees:** this bill was approved by the House, one of only two bills this year to be approved by the House Labor Committee. The bill was assigned to the Senate Labor Committee where it received no attention. The bill eliminates the restriction that the arbitrator choose one of the final offers on each impasse item submitted by the parties to the arbitrator and allows the arbitrator determine the award within the confines of the two final offers. Also requires the arbitrator to consider the comparison of wages, hours and conditions of employment of the involved public employees with those of private sector employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved. The bill also prohibits the arbitrator from considering the ability of the public employer to finance economic adjustments and the effect of such adjustments on the normal standard of services if the employer is a school district or AEA and prohibits the arbitrator from considering the employer's ability to levy taxes and appropriate funds if the employer is a school district or AEA.

**State Assessment:** Neither of the two bills addressing the state's assessment were approved in a chamber. **[HF 446](#)** specifies legislative intent that the legislature will address the issue of state assessments during the 2015 session, but the details were not specified in the bill. The chairs of the House and Senate Education committees conferred and stated that the process had worked, the Assessment Task Force made their recommendation, and that the State Board would be able to proceed with determining a state assessment beginning July 1, 2016, when their moratorium on action expired. The 2016 legislative Session will likely consider appropriation of state funds to cover the costs of any new state assessment. Also, **[SSB 1249](#)** was very similar on the Senate side. Please note:

**SBAC / Assessment Task Force Recommendations:** Chairs of Senate and House Education Committees agreed to not put legislation forward to mandate Smarter Balanced Assessment

(SBAC) or any other assessment. They both stated in committees their support of the recommendations of the Assessment Task Force, it's believed they had caucus challenges in getting a willing majority vote of Republicans in the House and Democrats in the Senate, to support a bill specifying a particular assessment aligned to the Iowa Core for different reasons.

Chapter 256.7 Subsection 21: Code language regulates the State Board of Education's action on assessments, saying they have to continue to use the provider of the test administered in 2011, or must make recommendations to the legislature for approval. Beginning July 1, 2016, the state board can make rules for a different assessment other than the one administered in 2011, which would be the Iowa tests or a test provided by Iowa testing (that's in subsection 21(b)(2), which "notwithstands" or ignores the prior requirements in subsection (1) regarding the provider of the 2011 test.)

This leaves the decision in the hands of the State BOE's to make the determination of the assessment. Since the State BOE has already seconded the task force's recommendations on SBAC, it's likely they will go forward through the rule making process. The education coalition group met with the governor's office staff in support of the state BOE sticking with the SBAC recommendation. Next legislative session, an appropriation will have to be made to implement the assessment.

***Additional Note 8/13/15:*** *The State Board of Education met and decided to initiate rule making around a new state assessment. They've followed the Assessment Task Force Recommendations and are moving forward with Smarter Balanced Assessments, planning on beginning implementation in the 2016-17 school year. They plan on reconvening the Task Force to consider a state assessment for the new Science Standards, as well. See the LSA Fiscal Update report of State BOE action here: <https://www.legis.iowa.gov/docs/publications/BL/680698.pdf> which includes links to the task force recommendations and other valuable info.*

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

**SF 246 PK Expansion Incentive:** this bill creates a three-year expansion program for the statewide voluntary preschool program, provides an expansion incentive of 20% of the cost per pupil applied to enrollment growth in the program compared to a base year, allows PK funds to be spent on transportation, rent and outreach activities and allows proration of transportation costs if other students are transported with PK students. The bill also increases the limit of administrative funds to no higher than 10%. The bill was approved by the Senate Education Committee, but was not considered by the Senate Appropriations Committee where it still resides.

**SF 247 Low-Income Program Supplement:** this bill establishes a low-income supplementary weighting of .04 (or 4%) multiplied by the number of students eligible for free and reduced price lunch in the district. The weighting would equate to roughly \$254 per low income student based on 2014-15 state cost per pupil. The bill specifies use of funds for additional



programming, before- and after-school programs, summer school, tutoring and mentoring, individualized instructional assistance, programs to reduce or waive student fees, or other program or assistance. The bill was approved by the Senate Education Committee, but was not considered by the Senate Appropriations Committee where it still resides.

**SF 295 LEP Weighting for Preschoolers:** this bill establishes a supplementary weighting equal to one half of the English-Language Learner program weighting for Statewide Voluntary Preschool Program Students. The bill was approved by the Senate Education Committee, but was not considered by the Senate Appropriations Committee where it still resides.

**SF 281 Mental Health Pilot Project via AEAs:** this bill creates a pilot project, providing funds to all AEAs to work with mental health community providers to meet the mental health needs of students. The bill was approved by subcommittee but did not receive full consideration of the Senate Education Committee, where it still resides.

**SF 431 Fine Arts Curriculum in the Core:** this bill requires the state board of education to create standards within the Iowa core curriculum for fine arts content, but does not impact the state requirements regarding which courses must be offered and taught. The bill was approved in the Senate, 26:23 and remains assigned to the House Education Committee.

**SF 477 Sales Tax Sunset Extension:** this bill extends the sunset of the state penny until Dec. 31, 2049. It was approved 9:4 in Senate Education Committee, with bipartisan sponsorship and support. The bill was approved in the Senate on a strong 37:13 bipartisan vote. Senators' voting record on the bill was recorded in the March 25, 2015, Senate Journal:

On the question "Shall the bill pass?" (S.F. 477), the vote was:

Yeas, 37: Allen Anderson Bertrand Bolkcom Bowman Brase Breitbach Chapman Courtney Danielson Dotzler Dvorsky Feenstra Garrett Gronstal Hart Hogg Horn Jochum Kapucian Kinney Kraayenbrink Mathis McCoy Petersen Quirnbach Ragan Rozenboom Schoenjahn Seng Shipley Sinclair Smith Soddors Taylor Wilhelm Zumbach

Nays, 13: Behn Bisignano Chelgren Costello Dearden Dix Guth Johnson Schneider Schultz Segebart Whitver Zaub

**SF 345 Anti-Bullying and Anti-Harassment:** this bill, one of the Governor's priorities for the 2015 Session, did not get approval in the House. It was approved in the Senate on March 31 with 43 yes and 7 no votes. The bill establishes an bullying and violence prevention student mentoring pilot program, includes electronic communications/social media in the definition of bullying, adds behavior or any other distinguishing characteristic to the list of traits upon which bullying might be based, requires the district to establish a procedure for notifying parents and allows an exception if the student or administrator reasonably believes that notification would subject the student to rejection, abuse or neglect, grants school officials authority by saying they "may" (not a mandate with "shall") investigate under several conditions: if the incident is reported pursuant to the school's policy and if the alleged incident has an effect on a student on school grounds that creates an objectively hostile school environment (which is further defined in the bill.)

The bill specifies that this section shall not be construed to diminish a school administrator's discretion to impose discipline or take other action in the case of an unfounded incident of

bullying or harassment if a student's behavior otherwise constitutes student misconduct based on other grounds. The bill also allows a student who was a victim of bullying in a reported/founded incident to open enroll to another district and participate in varsity interscholastic sport without the normal open enrollment waiting period, if both the district of residence and the receiving district approve.

The bill creates a school climate and bullying work group, convened by the DE, and specifies membership of the work group, including public, nonpublic, urban and rural school representation.

**HSB 203 Education Savings Accounts for Nonpublic School Students:** this bill would allow parents of nonpublic school students to apply for an annual grant of \$6,366, beginning in tax year Jan. 1, 2016, starting with kindergarten and adding one grade level every year over 13 years. The fiscal impact is expected to top \$200 million when fully phased in. This bill was approved 2:1 in subcommittee, but was never brought up for consideration in the House Education Committee. This bill and other voucher bills, [HF 313](#), [SF 230](#), [SF 240](#), and [SF 252](#) all are failed to get committee approval by the March 6 funnel deadline.

**Transportation Equity Proposals:** Six proposals were introduced in the House Education Committee this Session, most approved unanimously by subcommittee, none receiving full committee approval, so all technically dead due to the first funnel deadline. Here's the list:

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

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

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

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

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

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

**HF 122 Shared Operational Functions:** this bill adds the position of principal to the list of positions for which sharing generates supplementary weighing. The bill was approved by the Education Committee in the House, but did not move forward to full floor debate.

**HF 584 School Radon Testing** by House Local Government: this bill requires that school boards provide for short term testing and retesting for radon gas to be performed at each attendance center and following new construction, additions, renovations, or repairs to an attendance center. The bill allows the use of state penny revenues to pay for the testing without having to revisit the revenue purpose statement.

## Iowa Department of Education References on defining students at-risk

(Source: <https://www.educateiowa.gov/pk-12/learner-supports/risk> )

“In Iowa, at risk is defined in the Iowa Code and the Iowa Administrative Code. Since programming is a local decision, definitions and guidance are given so that school districts are able to decide locally what the specific indicators are that put students at risk and guidance for serving these students.”

### Iowa Code and Iowa Administrative Code definitions:

#### [281--Iowa Administrative Code 12.2](#)(256) Definition of At-Risk

"At-risk student" means any identified student who needs additional support and who is not meeting or not expected to meet the established goals of the educational program (academic, personal/social, career/vocational). At-risk students include but are not limited to students in the following groups: homeless children and youth, dropouts, returning dropouts, and potential dropouts.

#### [281--Iowa Administrative Code 12.5](#)(13) Provisions for at-risk students

Each school district shall include in its comprehensive school improvement plan the following provisions for meeting the needs of at-risk students:

1. Valid and systematic procedures and criteria to identify at-risk students throughout the school district's school-age population,
2. Determination of appropriate ongoing educational strategies for alternative options education programs as required in [Iowa Code section 280.19A](#), and
3. Review and evaluation of the effectiveness of provisions for at-risk students. This subrule does not apply to accredited nonpublic schools.

Each school district using additional allowable growth for provisions for at-risk students shall incorporate educational program goals for at-risk students into its comprehensive school improvement plan. Provisions for at-risk students shall align with the student learning goals and content standards established by the school district or by school districts participating in a consortium. The comprehensive school improvement plan shall also include objectives, activities, cooperative arrangements with other service agencies and service groups, and strategies for parental involvement to meet the needs of at-risk children. The incorporation of these requirements into a school district's comprehensive school improvement plan shall serve as the annual application for additional allowable growth designated in [Iowa Code section 257.38](#).”

## 2015 School Finance Interim Committee

<https://www.legis.iowa.gov/committees/committee?endYear=2015&groupID=21383>

**Charge:** Prepare a school finance formula status report and provide recommendations in accordance with the requirements of Iowa Code §257.1(4), including receiving assistance from the departments of Education, Management, and Revenue; providing recommendations for school finance formula changes or revisions based upon demographic changes, enrollment trends, and property tax valuation fluctuations observed during the preceding five-year interval; providing an analysis of the operation of the school finance formula during the preceding five-year interval; and incorporating a summary of issues that have arisen since the previous review and potential approaches for their resolution.

The Committee met on Monday, December 15, 2014. The following documents include presentations to the Committee, agendas, minutes, and their final report.

Interim Committee Reports	<a href="#">School Finance Formula Review Committee - Final Report</a>
Minutes	<a href="#">School Finance Formula Review Committee Meeting Minutes</a>
Agendas	<a href="#">School Finance Formula Review Committee - Tentative Agenda</a>
Materials Distributed	<a href="#">Committee Rules</a>
Materials Distributed	<a href="#">School Finance Formula Review Committee Background, Legislative Services Agency</a>
Materials Distributed	<a href="#">School Finance Formula Overview - Lisa Oakley, DOM; John Parker, LSA; Jeff Berger, Dept. of Education</a>
Materials Distributed	<a href="#">School Finance Formula Overview Maps, John Parker, LSA</a>
Materials Distributed	<a href="#">Fairness and Equity in Iowa's School's Presentation, Patti Schroeder, IASB</a>
Materials Distributed	<a href="#">NAEP and Expenditure Comparison, Margaret Buckton, UEN/Iowa School Finance Information Services</a>
Materials Distributed	<a href="#">School Finance Formula Task Force Report, Patti Schroeder, IASB</a>
Materials Distributed	<a href="#">Task Force Solutions Committee Recommendations, Patti Schroeder, IASB</a>
Materials Distributed	<a href="#">Urban Education Network (UEN) Comments, Margaret Buckton, UEN</a>

State of Iowa  
86th General Assembly - Year 2015  
**School Finance Formula Review Committee**



*Co-Chair*  
**Representative**  
Jorgensen, Ron



*Co-Chair*  
**Senator**  
Quirnbach, Herman  
C.



**Senator**  
Bowman, Tod R.



**Representative**  
Dolecheck, Cecil



**Representative**  
Forristall, Greg



**Senator**  
Johnson, David



**Representative**  
Ruff, Patti



**Senator**  
Schoenjahn, Brian



**Senator**  
Sinclair, Amy



**Representative**  
Winckler, Cindy L.



# 2014 IOWA FACTBOOK

**Legislative Services Agency  
Fiscal Services Division**

The following charts and tables are included in the LSA's 2014 Iowa FACTBOOK, published in February 2015.

Access the entire LSA FACTBOOK which is posted on the legislative web site here: <https://www.legis.iowa.gov/docs/publications/FCT/632824.pdf>

# ***PK-12 EDUCATION***

The following charts and tables are included in the LSA's 2014 Iowa FACTBOOK, published in February 2015, Elementary and Secondary Education section. These provide additional information on the mix of Iowa school revenue sources, annual changes in school revenue, revenues by program area, national comparative data, changes in object and function expenditures, student performance indicators, salary data and school district and AEA enrollment information. Access the entire LSA FACTBOOK which is posted on the legislative web site here:

<https://www.legis.iowa.gov/docs/publications/FCT/632824.pdf>

Iowa School Finance Information Services, Inc.  
**Digest of the 2015 Legislative Session Activities**  
**Impacting Iowa School Districts**

**ELEMENTARY AND SECONDARY EDUCATION FUNDING AMOUNTS FOR IOWA**

(dollars in millions)

	Uniform Property Taxes		Additional Property Taxes		Instructional Support Levy		State Foundation Aid		Other State Aid		Income Surtaxes		Other Miscellaneous		Total Funds
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	
FY 1999	\$461.4	15.5%	\$405.6	13.6%	\$ 49.6	1.7%	\$1,611.9	54.0%	\$ 144.6	4.8%	\$ 33.9	1.1%	\$278.5	9.3%	\$ 2,985.5
FY 2000	480.6	15.3%	378.7	12.1%	50.6	1.6%	1,698.5	54.1%	167.5	5.3%	38.2	1.2%	322.6	10.3%	3,136.7
FY 2001	500.1	15.3%	405.2	12.4%	59.0	1.8%	1,747.3	53.5%	173.9	5.3%	36.3	1.1%	343.1	10.5%	3,264.9
FY 2002	522.2	15.6%	425.2	12.7%	64.4	1.9%	1,725.1	51.6%	203.1	6.1%	42.1	1.3%	360.8	10.8%	3,342.9
FY 2003	536.2	15.5%	465.5	13.4%	68.5	2.0%	1,784.1	51.5%	178.2	5.1%	47.3	1.4%	386.5	11.2%	3,466.3
FY 2004	548.7	15.7%	476.3	13.6%	73.9	2.1%	1,776.7	50.7%	167.3	4.8%	47.0	1.3%	414.9	11.8%	3,504.8
FY 2005	532.5	14.6%	499.3	13.7%	77.7	2.1%	1,881.2	51.5%	169.1	4.6%	47.0	1.3%	443.2	12.1%	3,650.0
FY 2006	543.7	14.2%	509.2	13.3%	79.4	2.1%	1,963.9	51.3%	203.8	5.3%	58.0	1.5%	473.2	12.4%	3,831.2
FY 2007	570.6	14.1%	521.5	12.9%	83.6	2.1%	2,048.3	50.8%	253.5	6.3%	64.8	1.6%	493.6	12.2%	4,035.9
FY 2008	584.1	13.7%	536.8	12.6%	89.2	2.1%	2,145.6	50.2%	338.1	7.9%	70.2	1.6%	507.6	11.9%	4,271.6
FY 2009	618.3	13.4%	561.5	12.1%	91.2	2.0%	2,151.1	46.5%	414.7	9.0%	76.4	1.7%	708.9	15.3%	4,622.1
FY 2010	648.4	14.6%	575.6	13.0%	95.9	2.2%	2,146.5	48.5%	63.7	1.4%	81.9	1.9%	814.9	18.4%	4,426.9
FY 2011	676.8	14.0%	573.4	11.8%	98.8	2.0%	2,476.6	51.1%	70.7	1.5%	84.5	1.7%	868.0	17.9%	4,848.8
FY 2012	703.6	14.6%	611.0	12.7%	100.9	2.1%	2,631.2	54.6%	40.4	0.8%	85.4	1.8%	643.2	13.4%	4,815.7
FY 2013	729.9	15.1%	581.1	12.0%	104.8	2.2%	2,661.1	54.9%	40.4	0.8%	85.9	1.8%	643.2	13.3%	4,846.4
FY 2014	759.3	15.1%	578.6	11.5%	115.0	2.3%	2,725.6	54.2%	118.1	2.4%	85.7	1.7%	643.2	12.8%	5,025.5
FY 2015	774.2	14.9%	575.1	11.0%	120.0	2.3%	2,873.8	55.2%	123.3	2.4%	92.2	1.8%	643.2	12.4%	5,201.8

**ELEMENTARY AND SECONDARY EDUCATION FUNDING AMOUNTS FOR IOWA**

(ANNUAL CHANGES)

	Uniform Property Taxes		Additional Property Taxes		Instructional Support Levy		State Foundation Aid		Other State Aid		Income Surtaxes		Other Miscellaneous		Total Funds	
	Change	% Change	Change	% Change	Change	% Change	Change	% Change	Change	% Change	Change	% Change	Change	% Change	Change	% Change
FY 2000	\$ 19.2	4.2%	\$ -26.9	-6.6%	\$ 1.0	2.0%	\$ 86.6	5.4%	\$ 22.9	15.8%	\$ 4.3	12.7%	\$ 44.1	15.8%	\$ 151.2	5.1%
FY 2001	19.5	4.1%	26.5	7.0%	8.4	16.6%	48.8	2.9%	6.4	3.8%	-1.9	-5.0%	20.5	6.4%	128.2	4.1%
FY 2002	22.1	4.4%	20.0	4.9%	5.4	9.2%	-22.2	-1.3%	29.2	16.8%	5.8	16.0%	17.7	5.2%	78.0	2.4%
FY 2003	14.0	2.7%	40.3	9.5%	4.1	6.4%	59.0	3.4%	-24.9	-12.3%	5.2	12.4%	25.7	7.1%	123.4	3.7%
FY 2004	12.5	2.3%	10.8	2.3%	5.4	7.9%	-7.4	-0.4%	-10.9	-6.1%	-0.3	-0.6%	28.4	7.3%	38.5	1.1%
FY 2005	-16.2	-3.0%	23.0	4.8%	3.8	5.1%	104.5	5.9%	1.8	1.1%	0.0	0.0%	28.3	6.8%	145.2	4.1%
FY 2006	11.2	2.1%	9.9	2.0%	1.7	2.2%	82.7	4.4%	34.7	20.5%	11.0	23.4%	30.0	6.8%	181.2	5.0%
FY 2007	26.9	4.9%	12.3	2.4%	4.2	5.3%	84.4	4.3%	49.7	24.4%	6.8	11.7%	20.4	4.3%	204.7	5.3%
FY 2008	13.5	2.4%	15.3	2.9%	5.6	6.7%	97.3	4.8%	84.6	33.4%	5.4	8.3%	14.0	2.8%	235.7	5.8%
FY 2009	34.2	5.9%	24.7	4.6%	2.0	2.2%	5.5	0.3%	76.6	22.7%	6.2	8.8%	201.3	39.7%	350.5	8.2%
FY 2010	30.1	4.9%	14.1	2.5%	4.7	5.2%	-4.6	-0.2%	-351.0	-84.6%	5.5	7.2%	106.0	15.0%	-195.2	-4.2%
FY 2011	28.4	4.4%	-2.2	-0.4%	2.9	3.0%	330.1	15.4%	7.0	11.0%	2.6	3.2%	53.1	6.5%	421.9	9.5%
FY 2012	26.8	4.0%	37.6	6.6%	2.1	2.1%	154.6	6.2%	-30.3	-42.9%	0.9	1.1%	-224.8	-25.9%	-33.1	-0.7%
FY 2013	26.3	3.7%	-29.9	-4.9%	3.9	3.9%	29.9	1.1%	0.0	0.0%	0.5	0.6%	0.0	0.0%	30.5	0.6%
FY 2014	29.4	4.0%	-2.5	-0.4%	10.2	9.7%	64.5	2.4%	77.7	192.3%	-0.2	-0.2%	0.0	0.0%	179.1	3.7%
FY 2015	14.9	2.0%	-3.5	-0.6%	5.0	4.3%	148.2	5.4%	5.2	4.4%	6.5	7.6%	0.0	0.0%	176.3	3.5%

\*Other Miscellaneous\* funding includes federal funds; tuition, textbook, and transportation fees; and other miscellaneous income.

Sources: Department of Education and Department of Management

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**PK-12 EDUCATION**  
**K-12 BUDGETED REVENUES BY PROGRAM AREA**  
**IOWA SCHOOL YEAR 2014-2015**  
 (dollars in millions)

Source of Funds	State Aid	Local Taxes	Total	Percent	Number of Districts	% of Districts
<b>Local Education Agency (LEA) General Fund Revenues</b>						
Regular Program	\$ 1,893.3	\$ 1,166.5	\$ 3,059.8	55.6%	338	100.0%
Budget Guarantee	0.0	3.2	3.2	0.1	66	19.5
Teacher Salary Supplement (LEA)	263.0	0.0	263.0	4.8	338	100.0
Professional Development Supplement (LEA)	29.8	0.0	29.8	0.5	338	100.0
Early Intervention Supplement (LEA)	32.4	0.0	32.4	0.6	338	100.0
Supplementary Weighting	65.9	9.8	75.6	1.4	338	100.0
Special Education Weighting	347.7	51.2	398.9	7.3	338	100.0
AEA Sharing Supplementary Weighting	0.0	0.0	0.1	0.0	0	0.0
AEA Media Services	0.0	26.7	26.7	0.5	338	100.0
AEA Education Services	0.0	29.5	29.5	0.5	338	100.0
AEA Special Education Support Services	119.6	31.9	151.5	2.8	338	100.0
AEA Special Education Support Services Adj.	0.0	1.5	1.5	0.0	152	45.0
AEA Pro-rata State Aid Reduction	-22.5	0.0	-22.5	-0.4	338	100.0
AEA Teacher Salary Supplement	14.8	0.0	14.8	0.3	338	100.0
AEA Professional Development Supplement	1.7	0.0	1.7	0.0	338	100.0
Adjusted Additional Property Tax Levy State Aid	32.2	-32.2	0.0	0.0	68	20.1
Property Tax Replacement Payment	25.4	-25.4	0.0	0.0	338	100.0
Dropout Prevention Program	0.0	103.5	103.5	1.9	304	89.9
Other Property Tax Adjustments	0.2	-16.9	-16.7	0.0	338	100.0
Enrollment Audit Adjustment	-0.6	0.4	-0.2	0.0	151	44.7
Preschool State Aid	70.0	0.0	70.0	1.3	66	19.5
Adjusted Property Tax Repayment	0.7	0.0	0.7	0.0	4	1.2
Instructional Support	0.0	211.5	211.5	3.8	328	97.0
Educational Improvement	0.0	0.7	0.7	0.0	5	1.5
<b>General Fund Revenues</b>	<b>\$ 2,873.8</b>	<b>\$ 1,561.7</b>	<b>\$ 4,435.5</b>	<b>\$ 80.9</b>		
<b>Other Revenue Sources</b>						
Regular PPEL	\$ 0.0	\$ 49.4	\$ 49.4	0.9%	328	97.0%
Voter Approved PPEL	0.0	119.4	119.4	2.2	244	72.2
Management Levy	0.0	147.2	147.2	2.7	328	97.0
Educational and Recreational Levy (Playground)	0.0	2.4	2.4	0.0	21	6.2
Bonds/Debt Service Levy	0.0	162.4	162.4	3.0	181	53.6
State Sales/Use Tax for School Infrastructure	442.4	0.0	442.4	8.0	338	100.0
Other State Appropriations	123.0	0.0	123.0	2.2	338	100.0
<b>Total</b>	<b>\$ 3,439.1</b>	<b>\$ 2,042.6</b>	<b>\$ 5,481.7</b>	<b>100.0%</b>		

**NOTES:**

- State aid for the Instructional Support Program was not funded in FY 2015.
- The amount for the Educational and Recreational Levy includes the Amana Library Levy.
- The State Sales/Use Tax for School Infrastructure is estimated and does not include money deposited in the Property Tax Equity and Relief (PTER) Fund used for school aid property tax reductions in FY 2015.
- Other State Appropriations are based on FY 2015 appropriations for the following s:
  - Early Child - Preschool Tuition Assistance
  - Early Child - Family Support & Parent Education
  - Student Achievement/Teacher Quality
  - Early Child - Community Empowerment
  - Early Child - Special Education Services Birth to Age 3
  - Child Development
  - Early Literacy
  - Early Head Start
  - Admin. Mentoring
  - ELL Pilots
  - AEA support for TLC
  - AEAs
  - Property Tax Replacement for Commercial/Industrial Valuation Rollback
- Totals may not add due to rounding
  - AEA - Area Education Agency
  - TLC - Teacher Leadership and Compensation

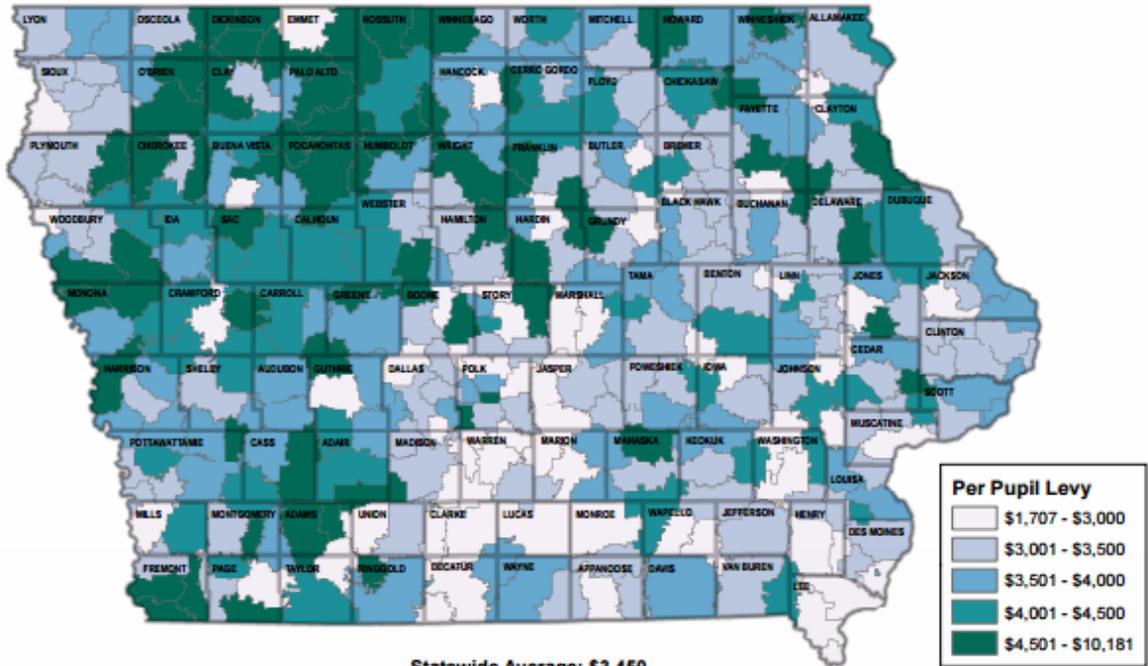
Sources: Iowa Department of Management, Department of Revenue, and Legislative Services Agency

Iowa LSA Staff Contact: John Parker (515-725-2249)

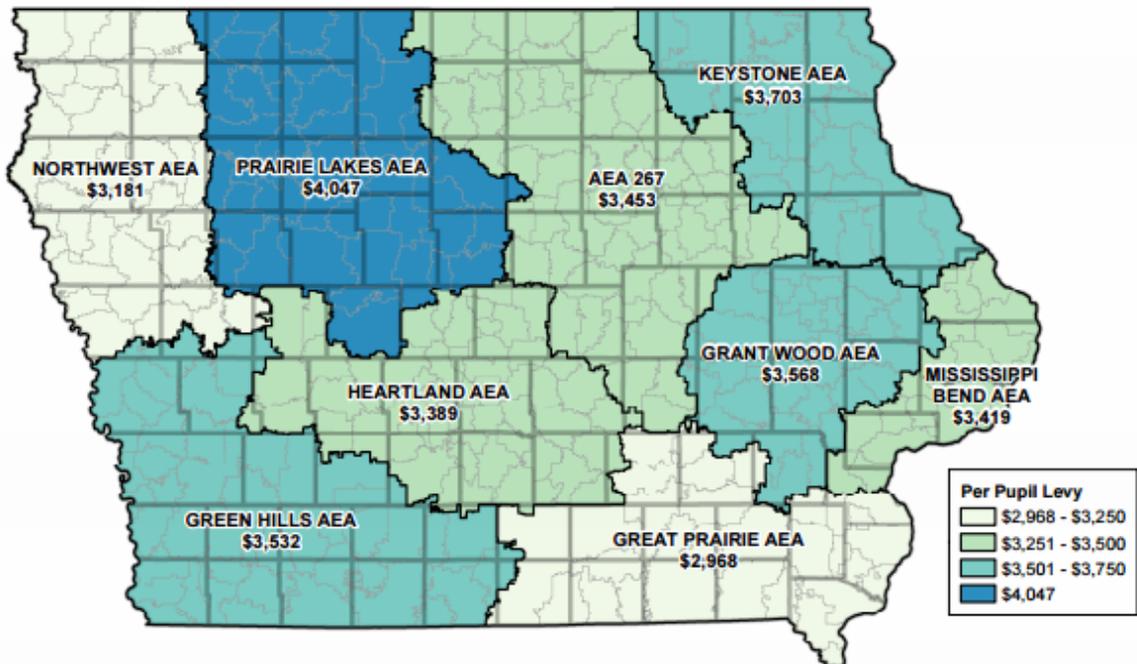
[john.parker@legis.iowa.gov](mailto:john.parker@legis.iowa.gov)

**PK-12 EDUCATION**

**GENERAL FUND LEVY PER PUPIL BY SCHOOL DISTRICT - FY 2015**



**GENERAL FUND LEVY PER PUPIL BY AEA - FY 2015**



NOTE: The General Fund levy per pupil is calculated by the Department of Management as the total school district General Fund levy divided by budget enrollment. Budget enrollment equals the certified enrollment count from the previous year's October enrollment count.

Sources: Department of Management, LSA Calculations

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**PK-12 EDUCATION**

**PUBLIC SCHOOL EXPENDITURES IN IOWA**

	Total Public Elementary and Secondary Expenditures				Object Expenditures as a Percentage of General Fund Expenditures			
	Amount (in Millions)	Amount Percentage Change	Expenditures Per Pupil	Expenditures Per Pupil Percentage Change	Salaries and Benefits	Purchased Services	Supplies and Equipment	Other
FY 1996	\$ 2,737.4		\$ 5,449		80.70%	9.70%	9.30%	0.30%
FY 1997	2,869.7	4.8%	5,706	4.7%	80.00%	9.90%	9.80%	0.30%
FY 1998	2,986.5	4.1%	5,961	4.5%	80.30%	9.80%	9.50%	0.40%
FY 1999	3,103.5	3.9%	6,229	4.5%	80.20%	10.10%	9.30%	0.40%
FY 2000	3,255.6	4.9%	6,547	5.1%	80.40%	10.30%	8.90%	0.40%
FY 2001	3,421.9	5.1%	6,912	5.6%	80.10%	10.30%	9.30%	0.30%
FY 2002	3,549.7	3.7%	7,305	5.7%	81.80%	10.20%	7.60%	0.40%
FY 2003	3,632.6	2.3%	7,533	3.1%	81.70%	10.30%	7.60%	0.40%
FY 2004	3,672.0	1.1%	7,631	1.3%	81.50%	10.50%	7.70%	0.30%
FY 2005	3,813.2	3.8%	7,972	4.5%	80.80%	10.60%	8.30%	0.30%
FY 2006	4,041.7	6.0%	8,360	4.9%	80.80%	10.80%	8.00%	0.40%
FY 2007	4,236.4	4.8%	8,769	4.9%	80.40%	11.30%	7.90%	0.40%
FY 2008	4,495.7	6.1%	9,267	5.7%	80.46%	11.22%	7.93%	0.39%
FY 2009	4,732.7	5.3%	9,707	4.7%	81.32%	11.23%	7.13%	0.32%
FY 2010	4,796.3	1.3%	9,763	0.6%	81.51%	11.36%	6.86%	0.26%
FY 2011	4,839.7	0.9%	9,762	0.0%	80.47%	11.77%	7.54%	0.22%
FY 2012	N.A.	N.A.	N.A.	N.A.	80.59%	11.86%	7.32%	0.23%
FY 2013	N.A.	N.A.	N.A.	N.A.	80.81%	11.76%	7.22%	0.22%

**Function Expenditures as a Percentage of General Fund Expenditures**

	Instruction	Student Support	Staff Support	Administration and Central Services	Operations and Maintenance	Transportation	Other
FY 1996	68.60%	3.70%	3.70%	9.70%	9.40%	4.10%	0.80%
FY 1997	68.30%	3.80%	4.00%	9.50%	9.30%	4.00%	1.10%
FY 1998	68.60%	3.80%	3.90%	9.70%	9.10%	3.80%	1.10%
FY 1999	69.10%	3.70%	4.00%	9.60%	8.80%	3.90%	0.90%
FY 2000	69.20%	3.80%	3.90%	9.60%	8.70%	3.90%	0.90%
FY 2001	69.00%	3.80%	4.00%	9.50%	9.20%	3.80%	0.70%
FY 2002	70.00%	3.80%	3.70%	9.70%	8.40%	3.60%	0.80%
FY 2003	70.10%	3.80%	3.40%	9.60%	8.70%	3.60%	0.80%
FY 2004	70.20%	3.80%	3.40%	9.50%	8.60%	3.70%	0.80%
FY 2005	68.90%	3.40%	3.60%	10.90%	9.00%	4.00%	0.20%
FY 2006	69.10%	3.40%	3.50%	11.00%	8.90%	4.00%	0.10%
FY 2007	64.80%	5.90%	5.10%	11.70%	8.50%	3.70%	0.30%
FY 2008	65.26%	5.93%	4.90%	11.56%	8.46%	3.75%	0.15%
FY 2009	66.14%	5.92%	4.90%	11.19%	8.21%	3.51%	0.13%
FY 2010	66.54%	6.01%	4.96%	11.01%	7.90%	3.47%	0.12%
FY 2011	66.57%	5.84%	5.19%	10.82%	7.86%	3.62%	0.11%
FY 2012	66.53%	5.78%	5.12%	10.92%	7.79%	3.75%	0.10%
FY 2013	66.48%	5.87%	5.07%	10.90%	7.87%	3.73%	0.08%

NOTE:  
 Total public elementary and secondary expenditures are based on the total current expenditures for public elementary and second education from the National Center of Education Statistics (NCES).  
 Additional expenditures per pupil are based on the NCES expenditure figure divided by enrollment figures submitted by the State to the NCES. Object and function expenditures are based on Department of Education calculations.

Sources: National Center for Education Statistics, Iowa Department of Education, Annual Condition of Education Report, and Certified Annual Financial Report Files

**PK-12 EDUCATION**

**NATIONAL COMPARATIVE DATA  
 K-12 PUBLIC SCHOOL FINANCE**

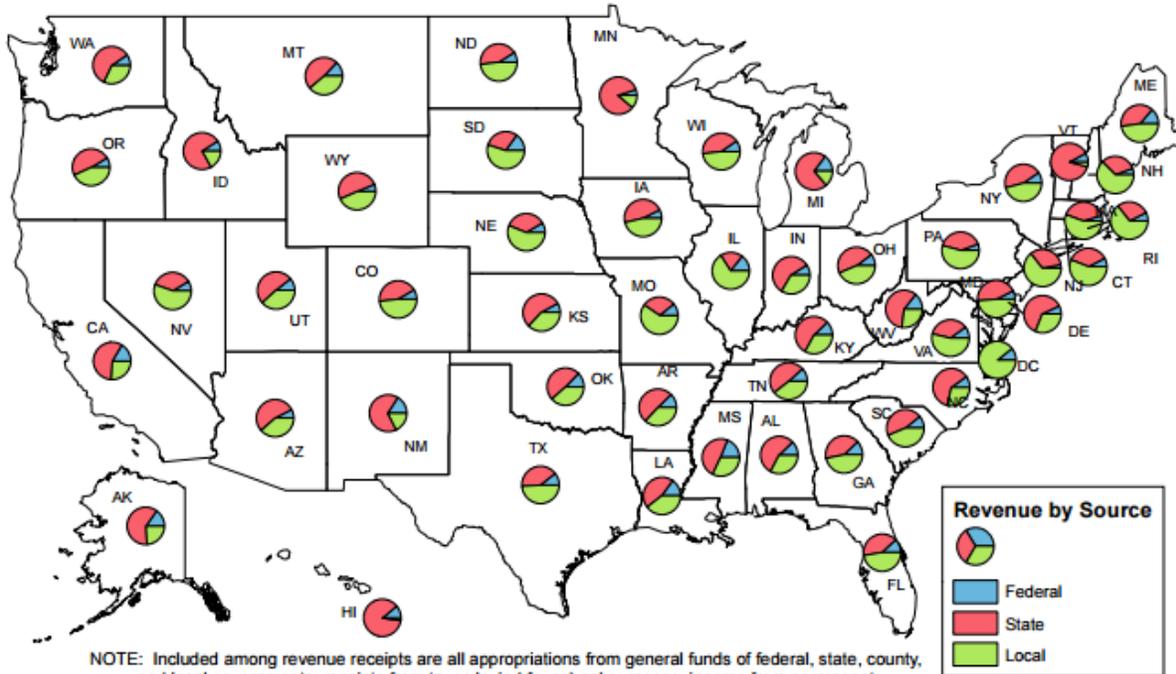
State	2013-14 Per Pupil Expenditures			2013-14 % of Revenue by Source		
	Total	% of Average	Rank	Federal	State	Local
Alabama	\$ 8,841 *	78%	42	12.1% *	55.1% *	32.7% *
Alaska	19,244 *	169%	4	15.1 *	61.1 *	23.7 *
Arizona	7,143 *	63%	51	7.8 *	53.5 *	38.7 *
Arkansas	9,459 *	83%	38	12.2 *	50.8 *	37.0 *
California	9,892 *	87%	32	16.4 *	57.9 *	25.7 *
Colorado	10,946 *	96%	22	8.4 *	43.4 *	48.1 *
Connecticut	17,039 *	150%	6	7.6 *	36.4 *	56.0 *
Delaware	15,362 *	135%	11	7.3 *	61.6 *	31.1 *
District of Columbia	14,527 *	128%	14	10.6 *	0.0 *	89.4 *
Florida	9,009 *	79%	40	12 *	40.4 *	47.6 *
Georgia	9,392 *	83%	39	12.0 *	41.5 *	46.5 *
Hawaii	12,060 *	106%	17	11.1 *	86.8 *	2.1 *
Idaho	8,722 *	77%	44	9.1 *	74 *	16.9 *
Illinois	13,372 *	118%	15	14.4 *	19.6 *	66.1 *
Indiana	11,496 *	101%	20	9.4 *	57 *	33.6 *
<b>IOWA</b>	<b>9,761 *</b>	<b>86% *</b>	<b>35</b>	<b>7.3 *</b>	<b>46.4 *</b>	<b>46.3 *</b>
Kansas	9,783 *	86%	34	8.1 *	54.8 *	37.0 *
Kentucky	10,323 *	91%	28	12.2 *	54.7 *	33.1 *
Louisiana	10,472 *	92%	25	15.1 *	45.3 *	39.7 *
Maine	10,046 *	88%	31	13.8 *	38.6 *	47.6 *
Maryland	15,786 *	139%	10	7.1 *	44.6 *	48.3 *
Massachusetts	16,315 *	143%	7	4.6 *	40 *	55.5 *
Michigan	14,621 *	129%	13	14.5 *	72.2 *	13.3 *
Minnesota	11,929 *	105%	18	5.3 *	83.2 *	11.4 *
Mississippi	8,649 *	76%	46	19.0 *	48.8 *	32.2 *
Missouri	10,419 *	92%	27	11.0 *	29.4 *	59.6 *
Montana	10,635 *	94%	24	13.1 *	48.2 *	38.7 *
Nebraska	9,787 *	86%	33	8.2 *	35.7 *	56.0 *
Nevada	8,693 *	76%	45	8.4 *	35.9 *	55.7 *
New Hampshire	16,225 *	143%	8	5.5 *	32.0 *	62.6 *
New Jersey	20,117 *	177%	3	3.1 *	32.6 *	64.4 *
New Mexico	11,321 *	100%	21	16.2 *	66.3 *	17.5 *
New York	20,428 *	180%	2	9.5 *	44.6 *	45.8 *
North Carolina	8,496 *	75%	47	10.1 *	61.3 *	28.5 *
North Dakota	8,733 *	77%	43	9.1 *	42.4 *	48.5 *
Ohio	10,097 *	89%	30	10.1 *	46.4 *	43.5 *
Oklahoma	7,943 *	70%	49	12.7 *	48.9 *	38.4 *
Oregon	10,427 *	92%	26	8.5 *	48.5 *	43.0 *
Pennsylvania	15,061 *	132%	12	5.6 *	40.1 *	54.3 *
Rhode Island	18,627 *	164%	5	7.2 *	28.4 *	64.4 *
South Carolina	9,652 *	85%	36	11.1 *	45.3 *	43.6 *
South Dakota	9,496 *	83%	37	14.8 *	30.3 *	54.9 *
Tennessee	8,900 *	78%	41	11.7 *	48.8 *	39.5 *
Texas	8,399 *	74%	48	10.4 *	40.7 *	49 *
Utah	7,476 *	66%	50	10.9 *	50.6 *	38.5 *
Vermont	21,004 *	185%	1	7.8 *	87.7 *	4.5 *
Virginia	10,766 *	95%	23	10.3 *	36.2 *	53.5 *
Washington	10,175 *	89%	29	9.4 *	58.9 *	31.7 *
West Virginia	12,459 *	110%	16	14.1 *	59.3 *	26.6 *
Wisconsin	11,630 *	102%	19	9.7 *	41.9 *	48.4 *
Wyoming	16,103 *	142%	9	6.2 *	50.7 *	43.1 *
National Average	\$ 11,373			10.5%	46.4%	43.1%

\* Estimated by National Education Association.

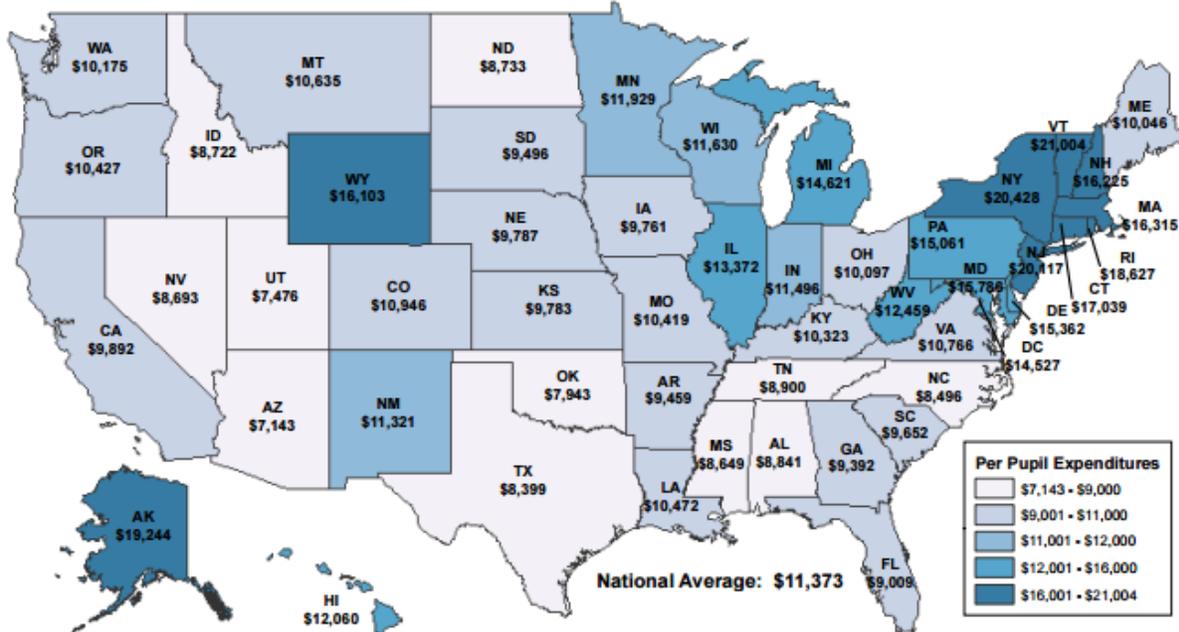
Source: National Education Association  
 "Rankings of the States 2013 and Estimates of School Statistics 2014"

**PK-12 EDUCATION**

**EDUCATION REVENUES BY SOURCE - 2013-2014**



**PER PUPIL EXPENDITURES - 2013-2014**



Source: National Education Association, Rankings of the States 2013 and Estimates of School Statistics 2014

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**PK-12 EDUCATION**

**PUBLIC FULL-TIME TEACHER AVERAGE SALARY**  
 Iowa School District Enrollment Size Category

School Year Ending	Minimum Salary	<250	250-399	400-599	600-999	1,000-2,499	2,500-7,499	7,500+	AEA	Iowa	U.S.
2004	\$ 24,500	\$ 30,576	\$ 31,808	\$ 34,097	\$ 35,633	\$ 37,967	\$ 40,214	\$ 42,200	\$ 38,892	\$ 38,381	\$ 46,826
2005	24,500	31,543	32,743	34,921	36,456	38,965	41,140	43,111	40,397	39,284	47,750
2006	24,500	32,891	34,281	35,941	37,911	40,614	42,541	44,827	42,359	40,877	48,106
2007	25,500	34,408	36,053	37,838	40,018	42,747	45,064	46,499	44,739	42,922	50,758
2008	26,500	36,358	38,259	40,133	42,492	45,211	47,453	49,113	48,807	45,463	52,308
2009	28,000	38,715	41,486	42,863	45,792	48,121	50,689	52,001	52,846	48,490	54,319
2010	28,000	39,887	42,211	43,572	46,286	49,112	51,926	53,285	52,279	49,473	55,202
2011	28,000	39,916	42,293	44,121	46,521	49,362	52,527	53,441	53,880	49,794	55,623
2012	28,000	39,977	42,583	44,470	46,828	49,830	52,653	53,875	54,685	50,218	55,418
2013	28,000	40,243	42,658	45,407	47,305	50,382	53,725	54,465	58,480	50,914	56,103
2014	28,000	41,082	43,197	46,112	48,281	51,290	54,985	55,670	59,474	52,001	56,689

NOTES:

- 1) United States average salary is estimated and based on the National Education Association (NEA) survey of Rankings and Estimates. (Summary Table G.)
- 2) Minimum salary is the statutory required minimum salary level for a public full-time teacher.
- 3) Average salary is based on the regular salary amounts reported to the Iowa Department of Education.

**IOWA FULL-TIME LICENSED STAFF AVERAGE SALARY**

School Year Ending	Number of Teachers	Average Salary	% Change in Average Salary	Number of Principals	Average Principal Salary	% Change in Average Principal Salary	Number of Supt.	Average Supt. Salary	Average Supt. Salary	Number of AEA Admin. Staff	Staff Average Salary	AEA Admin. Staff Average Salary
2004	33,688	\$ 38,381	1.0%	1,069	\$ 69,885	3.1%	332	\$ 90,487	4.0%	2,300	\$ 47,384	2.2%
2005	33,661	39,284	2.4%	1,225	71,670	2.6%	325	94,029	3.9%	2,328	48,966	3.3%
2006	34,175	40,877	4.1%	1,166	74,353	3.7%	322	97,725	3.9%	2,371	50,773	3.7%
2007	34,444	42,922	5.0%	1,140	77,548	4.3%	326	101,902	4.3%	2,342	53,065	4.5%
2008	34,823	45,463	5.9%	1,141	80,403	3.7%	322	105,986	4.0%	2,317	56,616	6.7%
2009	34,744	48,490	6.7%	1,158	83,329	3.6%	319	111,333	5.0%	2,334	60,905	7.6%
2010	34,643	49,473	2.0%	1,164	85,526	2.6%	314	115,054	3.3%	2,373	62,116	2.0%
2011	33,916	49,794	2.0%	1,173	86,410	2.6%	301	117,320	3.3%	2,353	62,564	0.7%
2012	33,938	50,218	0.9%	1,158	87,952	1.8%	301	120,947	3.1%	2,219	63,397	1.3%
2013	34,226	50,914	1.4%	1,155	90,306	2.7%	300	124,743	3.1%	2,158	65,397	3.2%
2014	34,509	52,001	2.1%	1,149	92,585	2.5%	289	130,217	4.4%	2,189	66,990	2.4%

AEA = Area Education Agency

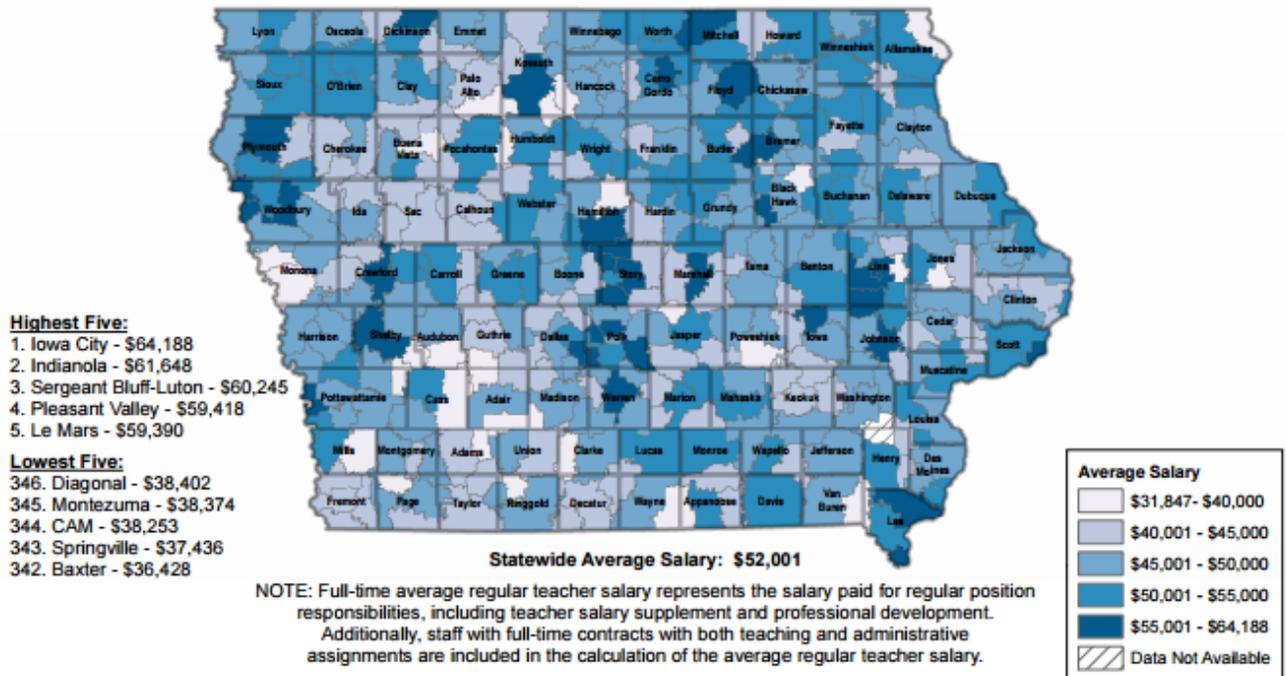
NOTES:

- 1) Average salary is based on the regular salary amounts reported to the Iowa Department of Education.
  - 2) Full-time licensed staff with multiple positions are included in each of those positions.
- Sources: Iowa Department of Education, Basic Educational Data Survey (BEDS), Licensed Staff file  
 NEA (National Education Association) Rankings and Estimates data  
 Legislative Services Agency (LSA) analysis and calculations

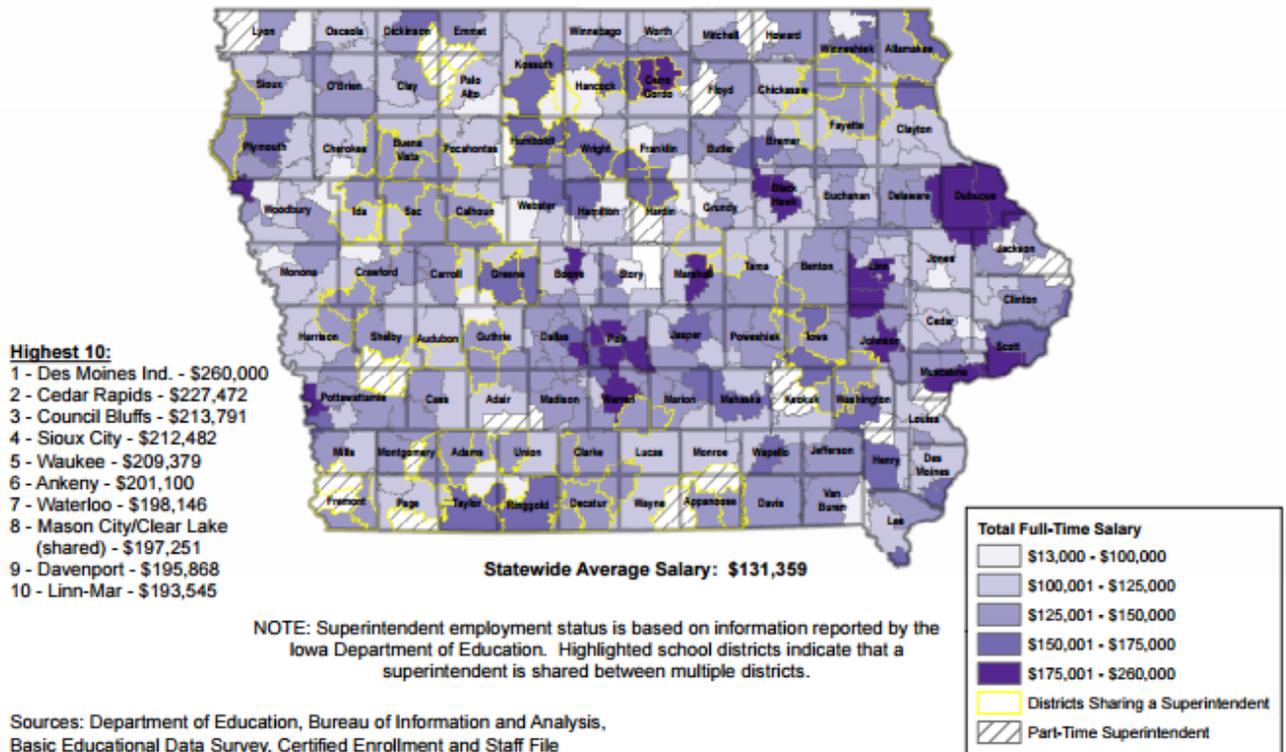
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**PK-12 EDUCATION**

**FULL-TIME TEACHER SALARY BY SCHOOL DISTRICT - FY 2014**



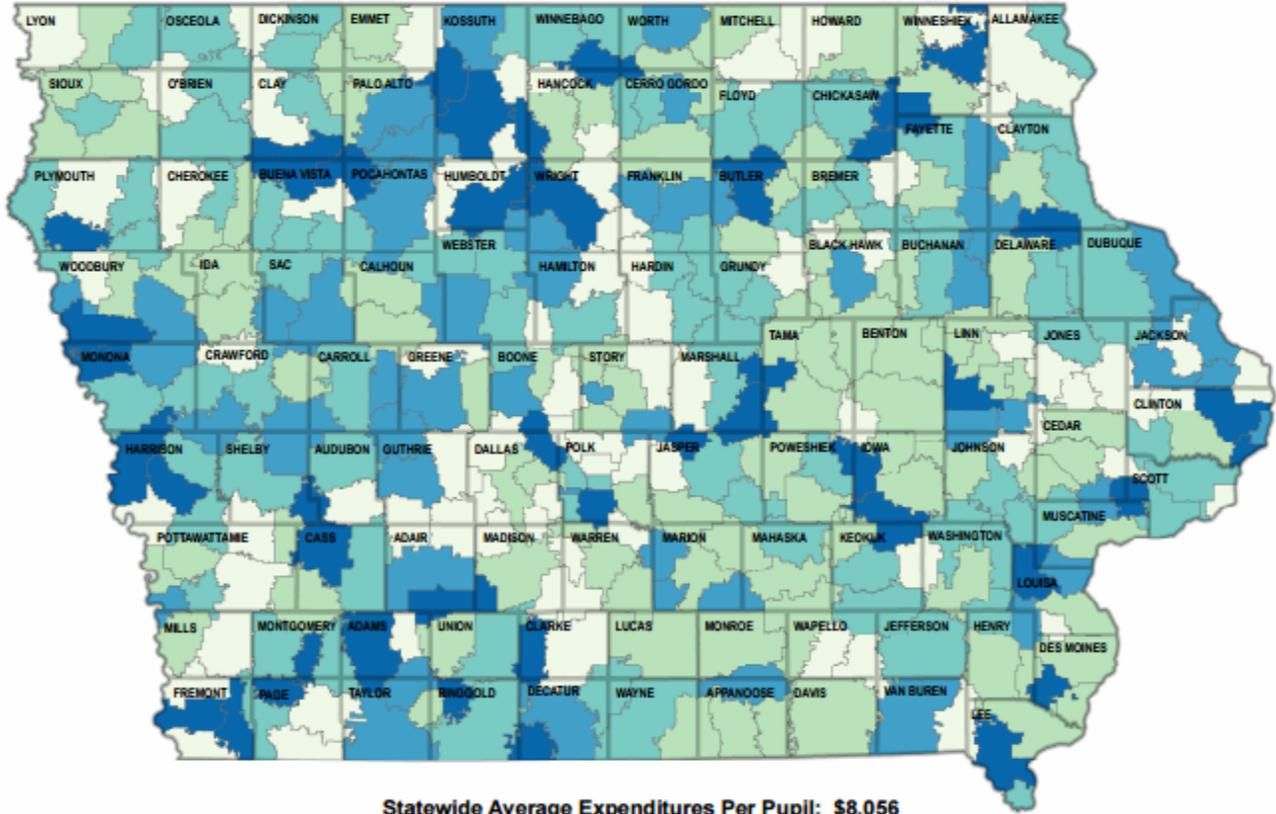
**FULL-TIME SUPERINTENDENT SALARY BY SCHOOL DISTRICT - FY 2014**



Sources: Department of Education, Bureau of Information and Analysis, Basic Educational Data Survey, Certified Enrollment and Staff File

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**SCHOOL SALARY AND BENEFIT EXPENDITURE PER PUPIL  
 FY 2013**



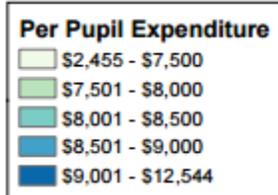
NOTE: Expenditures per pupil are calculated for FY 2013 as follows: School General Fund salary expenditures plus general fund benefit expenditures divided by district certified enrollment.

**HIGHEST 10:**

1. Sentral - \$12,544
2. Diagonal - \$12,318
3. West Burlington - \$11,811
4. Corwith-Wesley - \$11,574
5. Northeast - \$11,154
6. GMG - \$10,932
7. East Marshall - \$10,748
8. Sidney - \$10,591
9. Sioux Central - \$10,554
10. Stanton - \$10,417

**LOWEST 10:**

348. Woden-Crystal Lake - \$2,455
347. Twin Rivers - \$3,975
346. Easton Valley - \$4,224
345. Prescott - \$4,319
344. Titonka Consolidated - \$4,697
343. Bennett - \$4,833
342. Albert City-Truesdale - \$5,139
341. Andrew - \$5,376
340. North Winneshiek - \$5,694
339. Schleswig - \$5,706

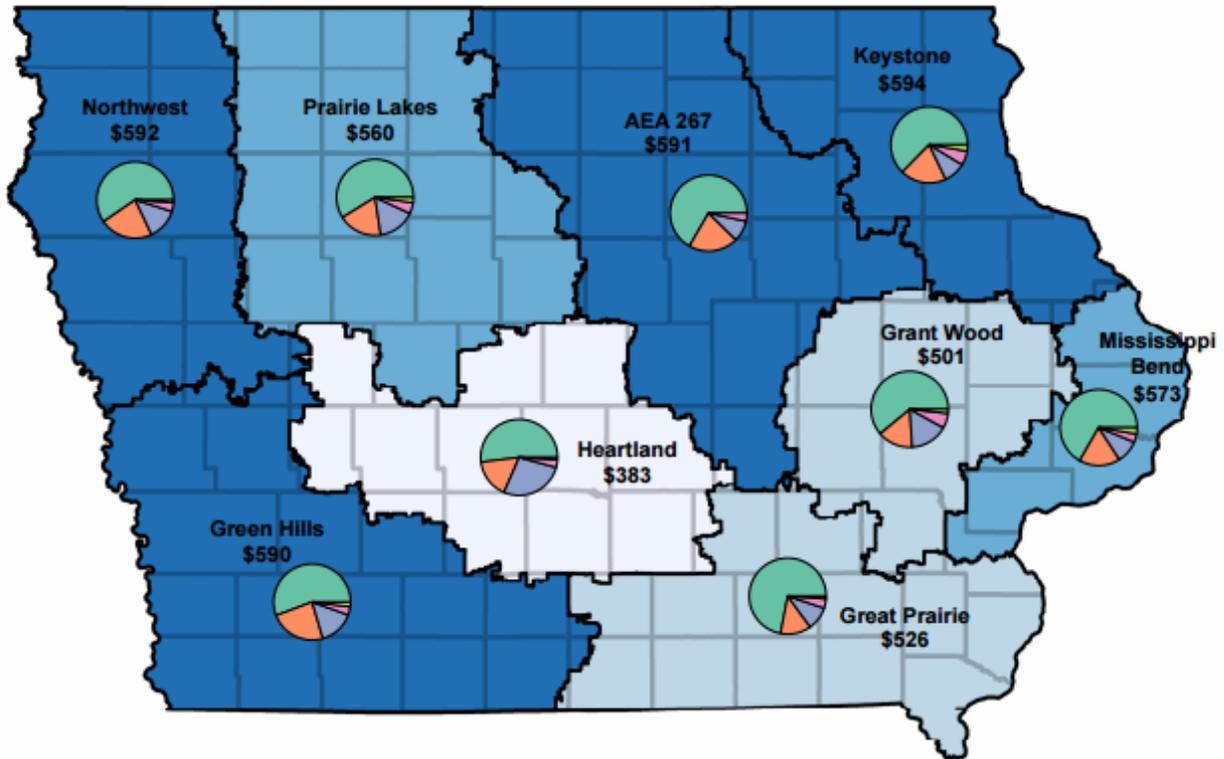


Sources: Department of Education, LSA Calculations

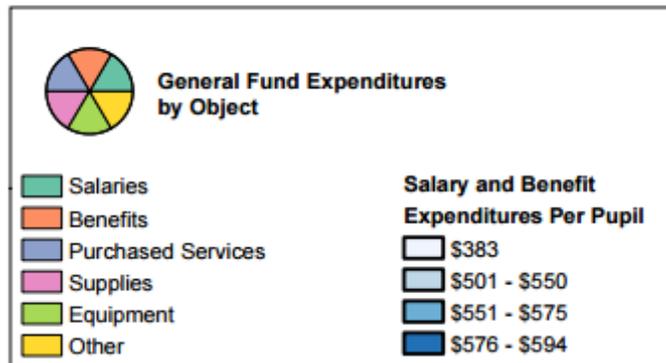
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**PK-12 EDUCATION**

**AREA EDUCATION AGENCY (AEA) SALARY AND BENEFIT EXPENDITURES PER PUPIL - FY 2013**



NOTE: The FY 2012 per pupil salary and benefit expenditure amount represents AEA General Fund expenditures for salaries and benefits divided by the total certified enrollment for school districts located within the Area Education Agency (AEA).



Sources: Department of Education, LSA Calculations

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**PK-12 EDUCATION**

**PUBLIC SCHOOL AND SPECIAL EDUCATION ENROLLMENTS STATE OF IOWA**

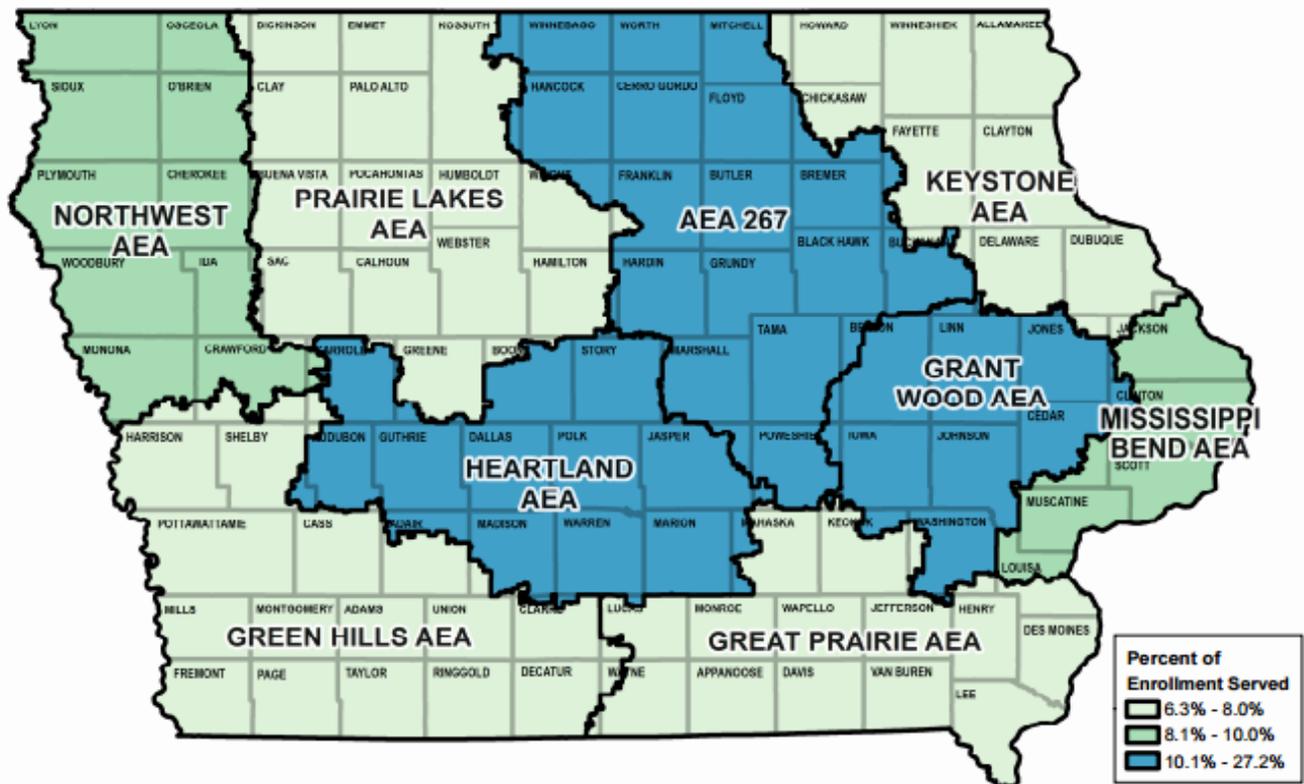
Fiscal Year	Elementary (K-6)	Secondary (7-12)	Other	Total Enrollment	% Change Total Enrollment	Special Education Enrollment	% Change Special Education Enrollment	Special Education as a % of Total Enrollment
1992	262,225	207,948	21,278	491,451	1.7%	47,176	3.4%	9.6%
1993	259,854	214,157	21,331	495,342	0.8%	48,756	3.4%	9.8%
1994	256,067	219,708	21,234	497,009	0.3%	49,876	2.3%	10.0%
1995	255,340	225,443	19,809	500,592	0.7%	52,048	4.4%	10.0%
1996	254,401	230,039	20,065	504,505	0.8%	54,705	5.1%	10.4%
1997	253,397	231,603	20,523	505,523	0.2%	56,996	4.2%	10.8%
1998	250,854	231,295	22,984	505,133	-0.1%	58,976	3.5%	11.3%
1999	250,148	231,737	20,649	502,534	-0.5%	60,419	2.4%	11.7%
2000	250,293	229,779	18,535	498,607	-0.8%	61,880	2.4%	12.0%
2001	248,692	228,235	17,364	494,291	-0.9%	62,742	1.4%	12.4%
2002	246,772	228,637	14,114	489,523	-1.0%	63,397	1.0%	12.7%
2003	240,802	227,121	19,098	487,021	-0.5%	65,327	3.0%	13.0%
2004	241,777	228,912	14,322	485,011	-0.4%	64,267	-1.6%	13.4%
2005	242,443	229,768	11,124	483,335	-0.3%	64,283	0.0%	13.3%
2006	244,149	232,507	6,449	483,105	0.0%	63,551	-1.1%	13.3%
2007	244,461	229,906	7,117	481,484	-0.2%	62,695	-1.3%	13.2%
2008	245,825	226,803	7,981	480,609	-0.2%	61,215	-2.4%	12.7%
2009	248,113	222,424	6,482	477,019	-0.7%	59,924	-2.1%	12.6%
2010	249,001	219,672	5,554	474,227	-0.6%	59,323	-1.0%	12.5%
2011	250,340	218,349	4,804	473,493	-0.2%	59,508	0.3%	12.6%
2012	252,340	216,759	4,405	473,504	0.0%	58,400	-1.9%	12.3%
2013	256,006	217,608	2,631	476,245	0.6%	56,806	-2.7%	11.9%
2014	258,619	217,914	2,388	478,921	0.6%	55,888	-1.6%	11.7%

NOTES:

- 1) Enrollments reflect certified enrollment reported as of October 1 (or the first Monday in October if the 1st falls on a weekend).
- 2) "Other" refers primarily to special education students not associated with a given grade level. This is not a count of the number of special education students in the State.
- 3) Special education enrollments are based on special education weightings from the Department of Management's Aid and Levy worksheet.

Sources: Department of Management Aid and Levy Worksheet; Department of Education, Public School Enrollments file

AREA EDUCATION AGENCIES (AEA) 2013-2014



SCHOOL DISTRICTS AND ENROLLMENTS BY AEA DISTRICT  
 2013 - 2014

AEA	Number of School Districts	Percent of School Districts	K-12 Public Enrollment	Percent of Public Enrollment	AEA Enrollment Served	Percent of AEA Enrollment Served
Keystone AEA 1	23	6.8%	28,844	6.0%	33,070	6.5%
AEA 267	55	16.3%	62,862	13.1%	66,188	12.9%
Prairie Lakes AEA 8	40	11.8%	30,163	6.3%	32,403	6.3%
Mississippi Bend AEA 9	21	6.2%	47,180	9.9%	50,076	9.8%
Grant Wood AEA 10	32	9.5%	67,606	14.1%	71,865	14.0%
Heartland AEA 11	53	15.7%	130,501	27.2%	139,331	27.2%
Northwest AEA	35	10.4%	38,429	8.0%	43,350	8.5%
Green Hills AEA 13	46	13.6%	37,924	7.9%	38,981	7.6%
Great Prairie AEA 15	33	9.8%	35,412	7.4%	36,579	7.1%
<b>Total</b>	<b>338</b>	<b>100.0%</b>	<b>478,921</b>	<b>100.0%</b>	<b>511,843</b>	<b>100.0%</b>

NOTES:

- 1) Enrollments are based on the October 2013 certified enrollment counts.
- 2) AEA reorganizations include:
  - AEAs 2, 6, and 7 merged to form AEA 267 in 2003.
  - AEAs 4 and 12 merged to form Northwest AEA in 2006.
  - AEAs 15 and 16 merged to form Great Prairie AEA beginning in FY 2008.
  - AEAs 13 and 14 merged to form Green Hills AEA beginning in FY 2011.

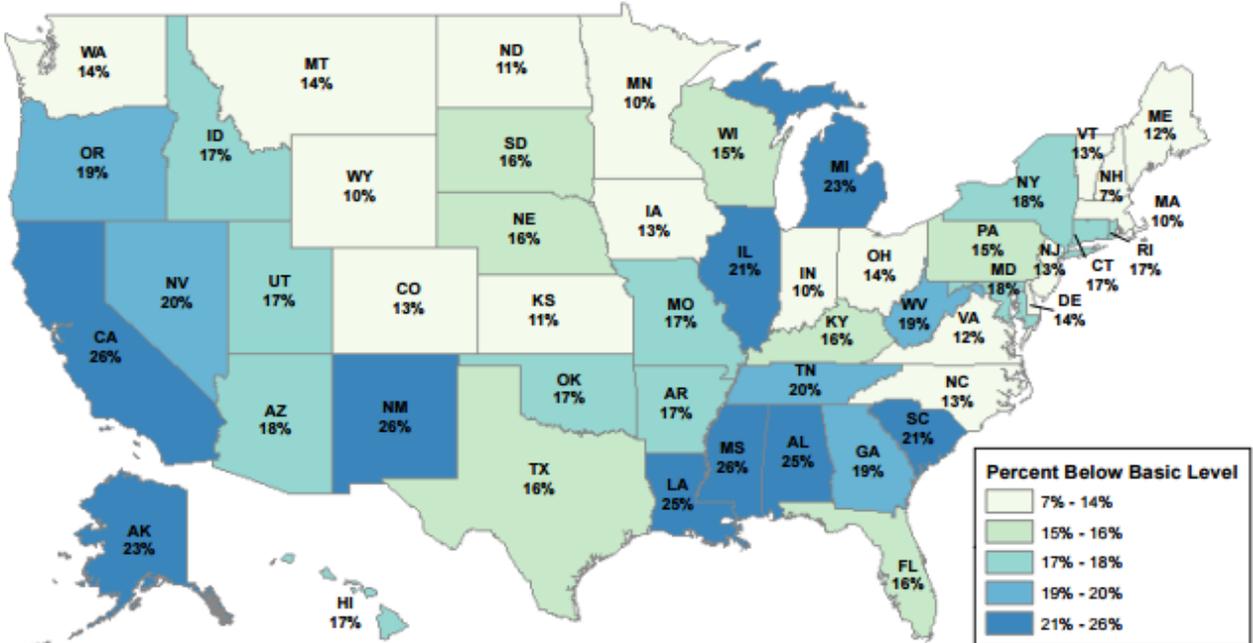
Sources: Department of Education, LSA Calculations

Iowa LSA Staff Contact: John Parker (515-725-2249)  
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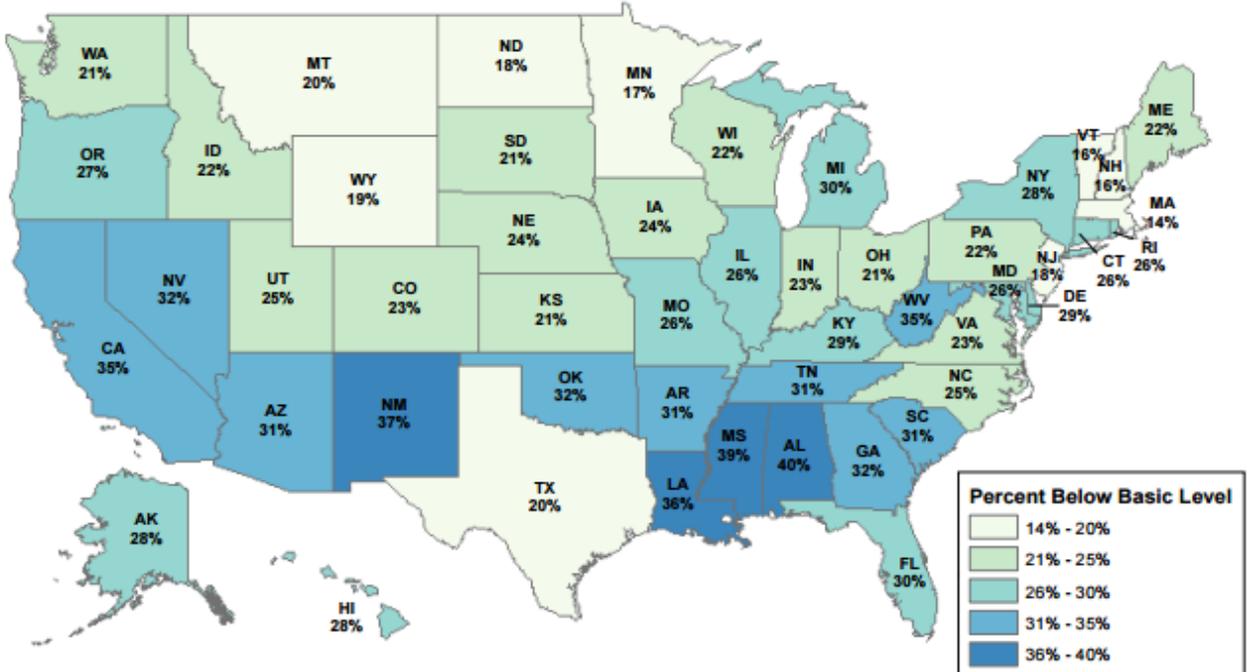


**PK-12 EDUCATION**

**FOURTH GRADERS THAT SCORED BELOW THE BASIC MATH LEVEL - 2013**



**EIGHTH GRADERS THAT SCORED BELOW THE BASIC MATH LEVEL - 2013**



NOTE:  
 Fourth and Eighth grade public school student mathematics achievement levels, as measured and defined by the National Assessment of Educational Progress (NAEP).

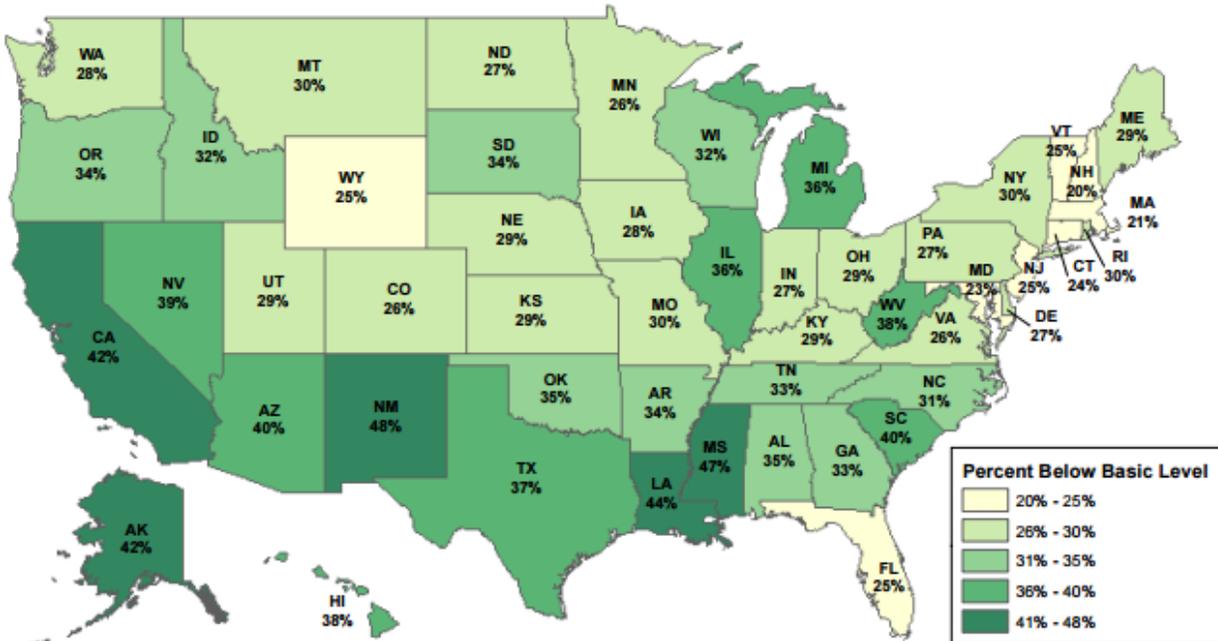
For more information: <http://nces.ed.gov/nationsreportcard/Mathematics/achieveall.asp>

Source: U.S. Department of Education, National Center for Education Statistics, National Assessment of Educational Progress (NAEP)

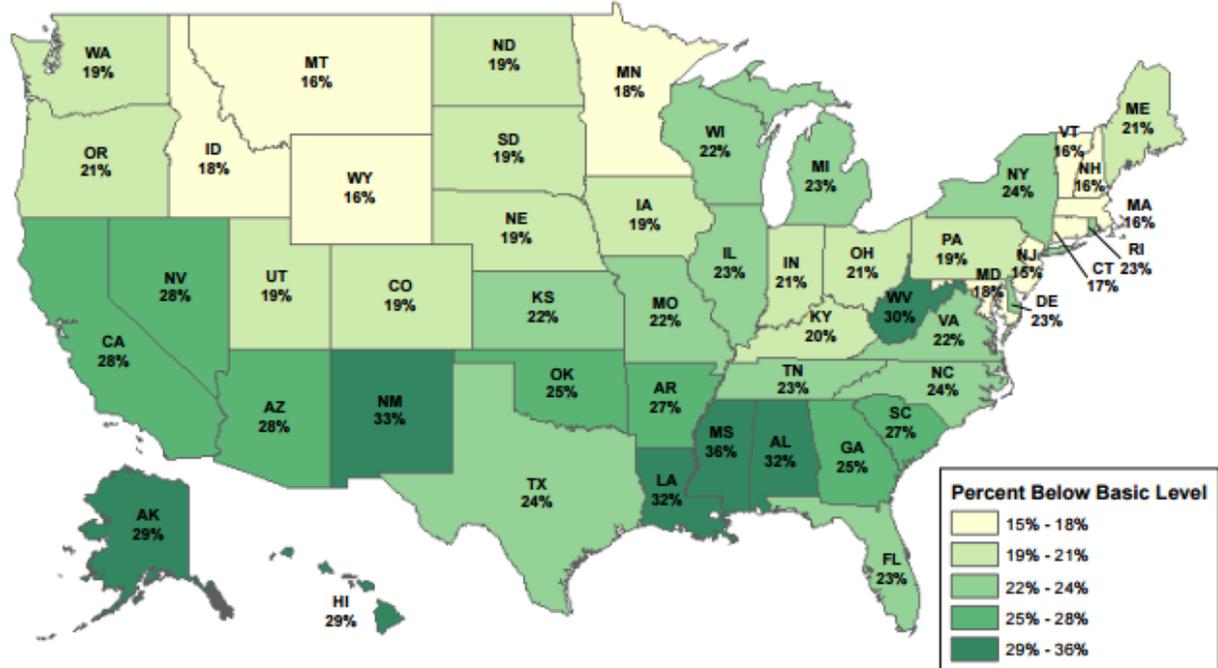
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**PK-12 EDUCATION**

**FOURTH GRADERS THAT SCORED BELOW THE BASIC READING LEVEL - 2013**



**EIGHTH GRADERS THAT SCORED BELOW THE BASIC READING LEVEL - 2013**



NOTE:  
 Fourth and Eighth grade public school students' reading achievement levels, as measured and defined by the National Assessment of Educational Progress (NAEP) reading test.

For more information: <http://nces.ed.gov/nationsreportcard/Reading/achieveall.asp>

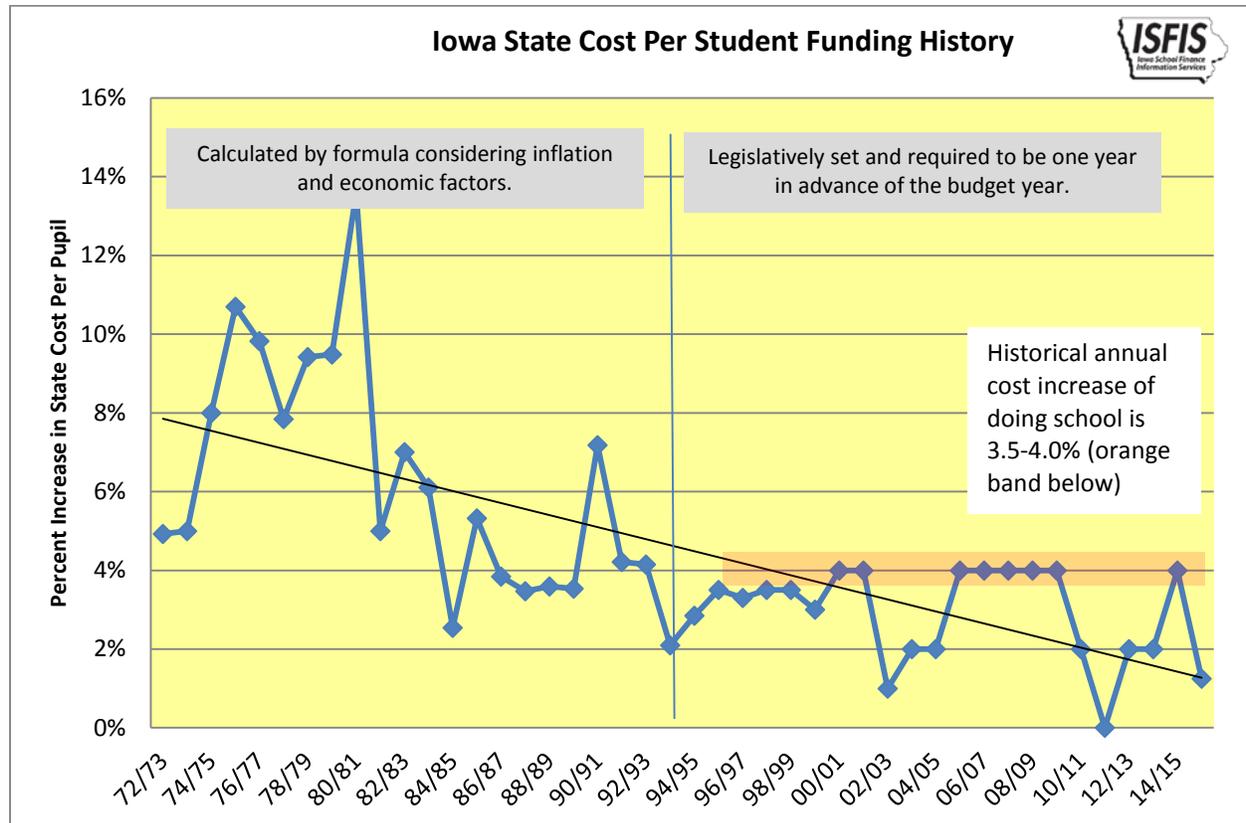
Source: U.S. Department of Education, National Center for Education Statistics, National Assessment of Educational Progress (NAEP)

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## State Cost Per Pupil Funding History

Iowa's commitment to increase education funding per pupil has plummeted, as evidenced by the history below, especially since 1993 when the legislature started setting the rate each year rather than an automatic increase based on economic and inflationary factors. In several recent years, schools experienced record low increases per pupil that have not kept pace with cost increases of running the school.

The 1.25% increase for the 2015-16 school year is not sufficient to reverse the trend.



Historical annual cost increase of doing school: includes 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, dropout prevention and at-risk programs, etc. Low funding also impacts the weightings, or multipliers, assigned to students requiring special education services, English language learner supports, preschool costs, and the funding percentage is also applied to class size/early intervention, teacher salary supplements and professional development supplements per student. Additionally, unfunded mandates from the state and federal level are paid from the per pupil amount.

The cumulative impact of low funding and no time for planning: in eight of the last fourteen years, the increase in the cost per pupil has fallen short of cost increases typically experienced in schools. The trend line is strongly negative. In four of the last six Sessions, the legislature did not set the growth rate in the year preceding the budget year, as required by law. In the 2010 Session, the legislature delayed setting the cost per pupil for the first time, for the 2011-2012 school year (great recession, lower state cash reserve and economic emergency funds, federal assistance pending, etc.) In 2012, no rate was set for the 2013-2014 school year. In 2014, did not set the rate for the 2015-16 school year. In 2015, did not set the rate for the 2016-17 school year.

## Sources on Various Expenditure Rankings Iowa Compared to the Nation

	Variable	Notes	1998 Iowa Rank	1998 Iowa Dollars vs. USA	2012 Iowa Rank	2012 Iowa Dollars vs. USA	2014 Iowa Rank	2014 Iowa Dollars vs. USA
Annie. E Casey, Kids Count	Expenditures per pupil controlling for cost of living	Iowa has a lower cost of living but ranks 22 in per capita personal income	11	\$665 11%	24	\$194 2%	2012 is newest entry in this data	
NEA/LSA FACT BOOK	Expenditures per pupil enrolled (2014 is an estimate)	Iowa's formula is based on enrollment rather than ADA	23	(\$-180) -3.1%	37	(\$-1,514) -14%	35	(\$-1,612) -14.2%
NEA	Expenditures per pupil based on Average Daily Attendance (2014 is an estimate)	Iowa's formula is based on enrollment rather than ADA like some other states so Iowans don't usually use this comparison	28	(\$-381) -6.0%	33	(\$-878) -7.8%	29	(\$-504) -4.3%

Annie E Casey Source: Definitions: Per-pupil educational expenditures adjusted for regional cost differences using the National Center for Education Statistics (NCES) Geographic Cost of Education Index.

<http://datacenter.kidscount.org/data/tables/5199-per-pupil-educational-expenditures-adjusted-for-regional-cost-differences#detailed/2/2,10-11/true/12,9,8,7/any/11678>

Beginning with 2006 data, the NCES Comparable Wage Index is used. Also, beginning with 2005 data, the U.S. average is calculated using an average of the states' averages. For years prior, the U.S. average is calculated using a grand mean; which is the mean of the means of several state subsamples. Data Source: National Center for Education Statistics, Revenues and Expenditures for Public Elementary and Secondary Education accessed through <http://www.edcounts.org/createtable/step1.php> Footnotes: Updated January 2015.

<https://www.legis.iowa.gov/docs/publications/FCT/13909.pdf> NEA rankings for 1996-97, LSA FACTBOOK 1998

[http://www.nea.org/assets/img/content/NEA\\_Rankings\\_And\\_Estimates-2013\\_\(2\).pdf](http://www.nea.org/assets/img/content/NEA_Rankings_And_Estimates-2013_(2).pdf) Revenue per students in ADA

[http://nces.ed.gov/programs/digest/d07/tables/dt07\\_175.asp](http://nces.ed.gov/programs/digest/d07/tables/dt07_175.asp) Table 175. 1998 data from this one: Current expenditure per pupil in average daily attendance in public elementary and secondary schools, by state or jurisdiction: Selected years, 1959-60 through 2004-05

[http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=SSF\\_2012\\_SSF11E.US01&prodType=table](http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=SSF_2012_SSF11E.US01&prodType=table) US Census Bureau tables and <http://www2.census.gov/govs/school/12f33pub.pdf> US census bureau report 2012

## School Aid Percent of Iowa General Fund Budget History

Source: Legislative Services Agency

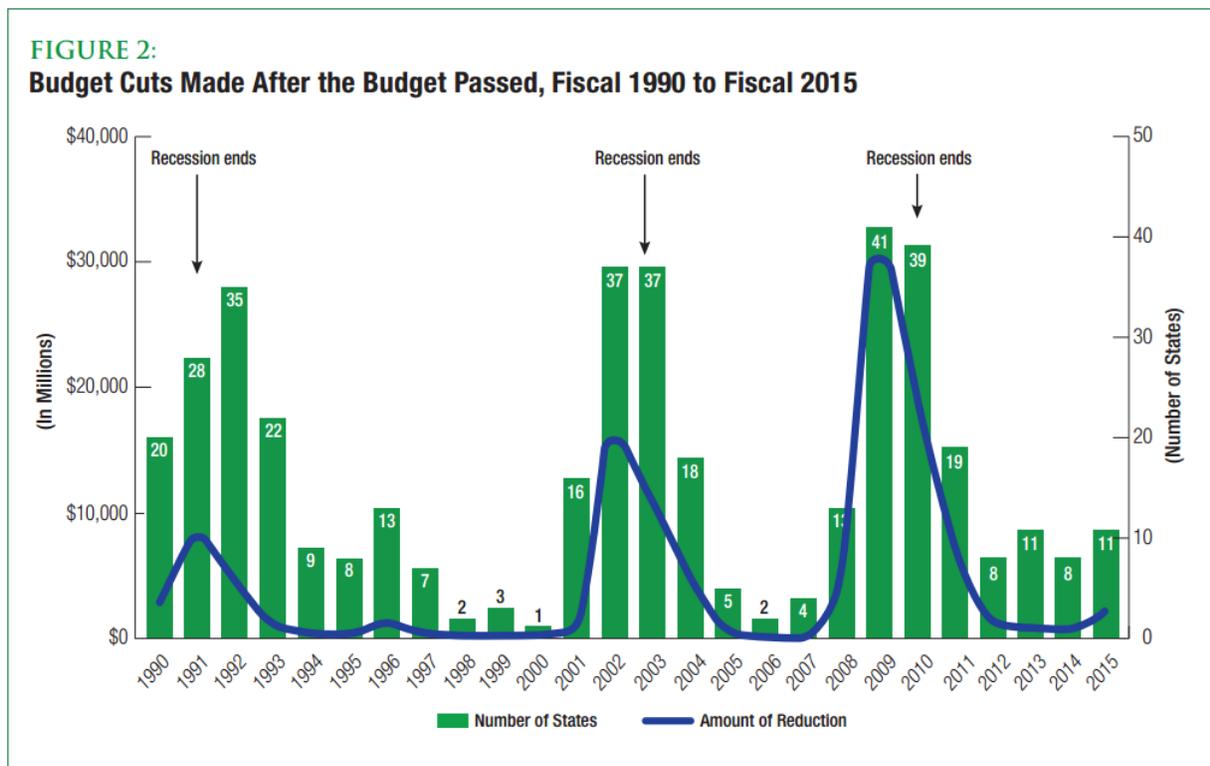
Fiscal year	School Aid	Total Funding	Percent Education	School Aid State Funding Percent change
FY 1995	1,266,256,039	3,641,365,269	34.8%	
FY 1996	1,330,918,568	3,855,440,461	34.5%	5.11%
FY 1997	1,489,465,275	4,138,941,803	36.0%	11.91%
FY 1998	1,558,251,824	4,359,215,808	35.7%	4.62%
FY 1999	1,611,592,518	4,529,868,343	35.6%	3.42%
FY 2000	1,696,505,094	4,763,573,422	35.6%	5.27%
FY 2001	1,751,721,662	4,886,870,809	35.8%	3.25%
FY 2002	1,678,604,088	4,607,516,844	36.4%	-4.17%
FY 2003	1,738,962,243	4,534,352,786	38.4%	3.60%
FY 2004	1,780,398,844	4,524,465,514	39.4%	2.38%
FY 2005	1,881,273,764	4,606,204,006	40.8%	5.67%
FY 2006	1,963,203,523	5,031,653,618	39.0%	4.36%
FY 2007	2,048,018,186	5,392,891,095	38.0%	4.32%
FY 2008	2,141,970,395	5,898,436,938	36.3%	4.59%
FY 2009	2,155,814,794	5,959,021,716	36.2%	0.65%
FY 2010	2,143,149,162	5,304,667,222	40.4%	-0.59%
FY 2011	2,444,144,299	5,351,854,535	45.7%	14.04%
FY 2012	2,623,826,586	6,012,453,316	43.6%	7.35%
FY 2013	2,709,783,198	6,431,618,607	42.1%	3.28%
FY 2014	2,716,133,473	6,482,567,804	41.9%	0.23%
FY 2015	2,865,513,850	6,994,327,304	41.0%	5.50%

## Iowa and Across-the-Board Budget Cuts

The following chart shows the history of across-the-board cuts, or budget reductions, made after budgets were approved by states, including the number of states making the budget reduction and the total amount of money reduced. Iowa's ATB reduction in 2009 was among 40 other states with a similar budget response.

NASBO Fiscal Survey of the States May 2015

<http://www.nasbo.org/sites/default/files/NASBO%20Spring%202015%20Fiscal%20Survey%20of%20States%20-%20S.pdf>



## LSA Economic Trends

<https://www.legis.iowa.gov/publications/fiscal/economicTrends>

### Iowa Economic Trends

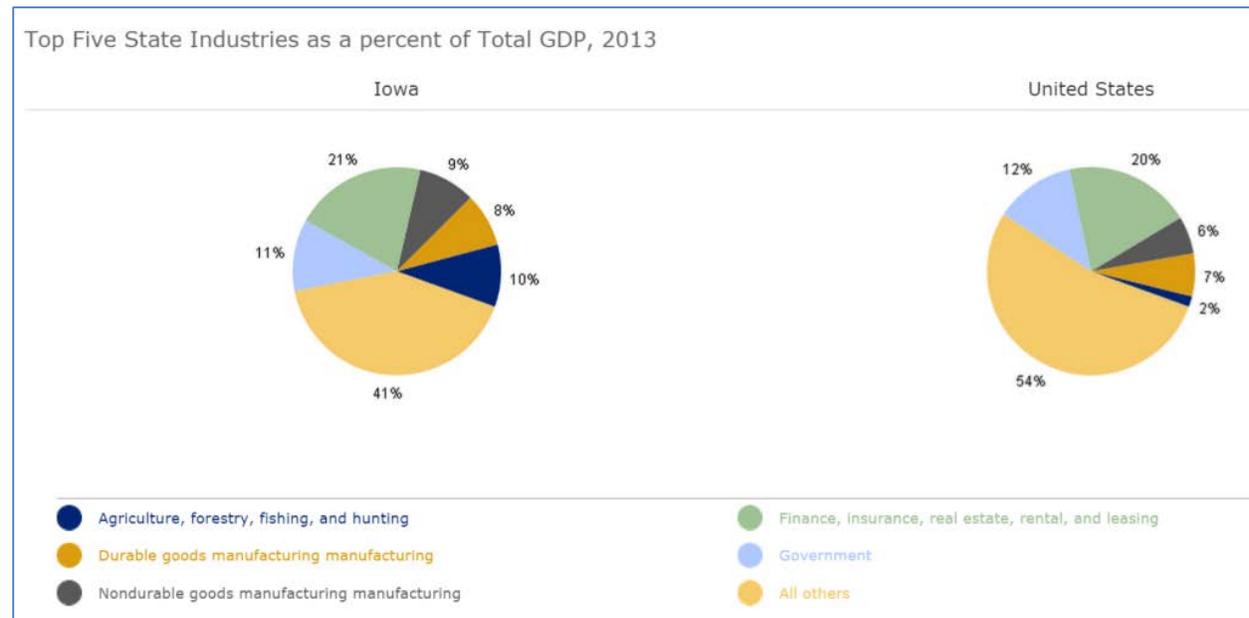
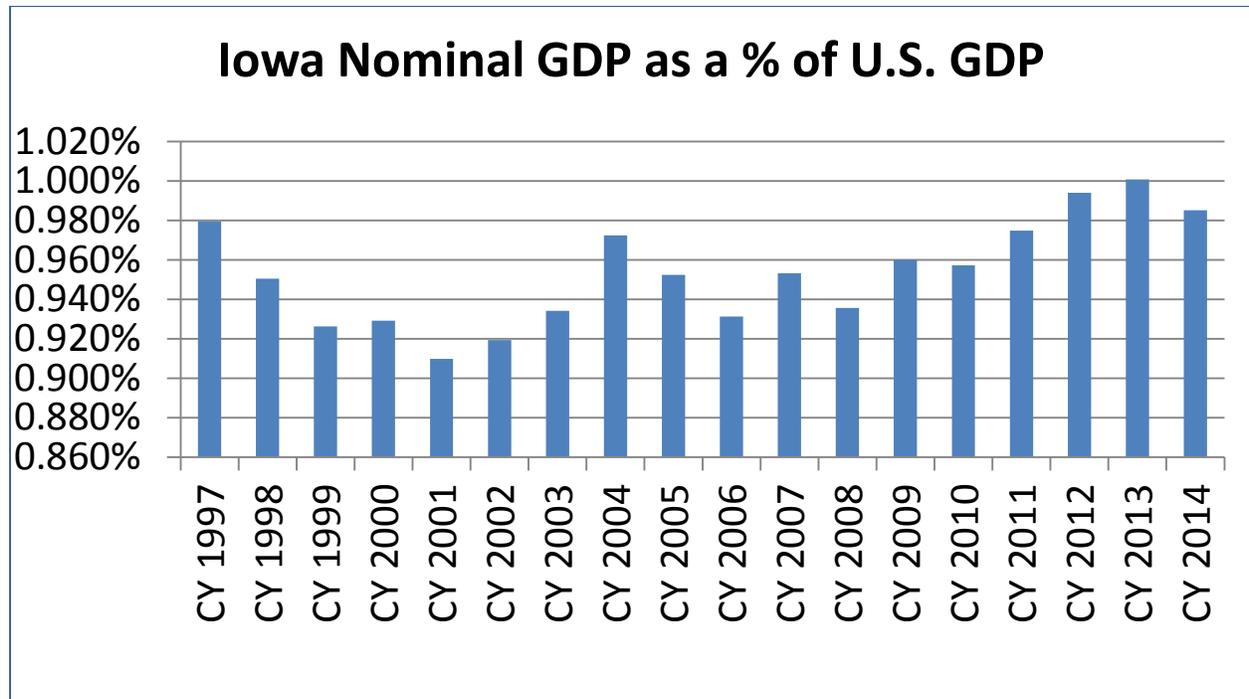
Access data and analysis for common statewide indicators of the condition of the Iowa economy.

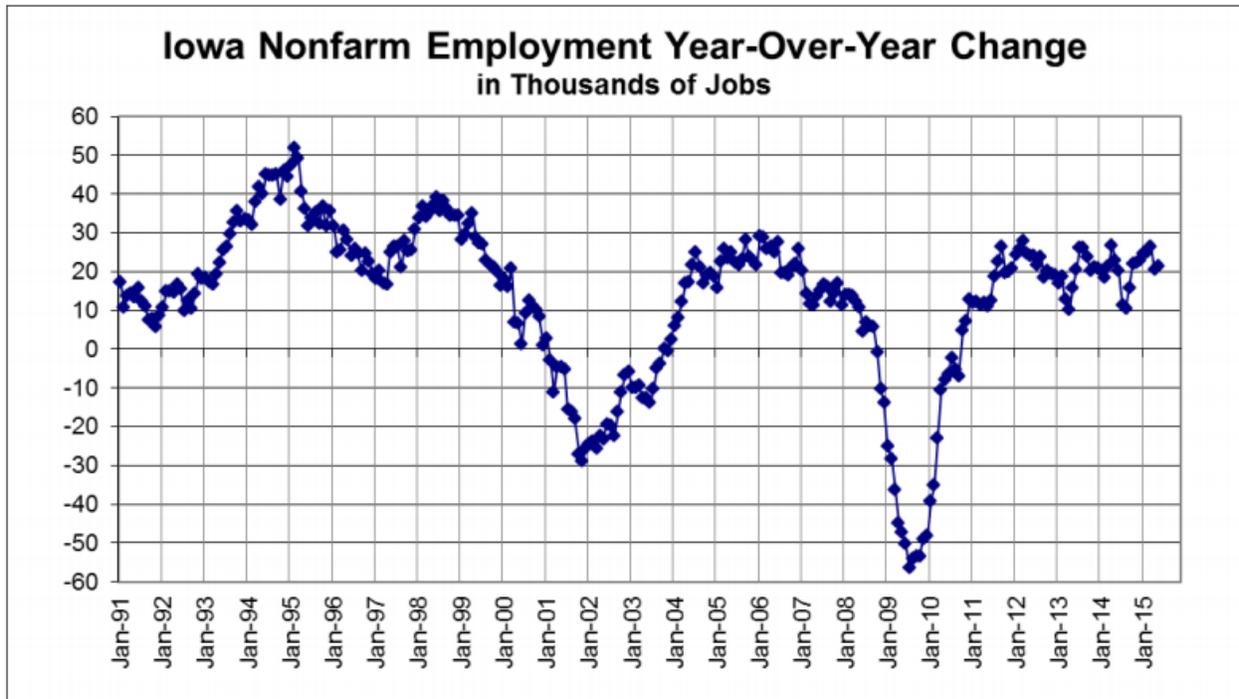
[Economic Indicator Descriptions](#) - Brief description of the indicators available on this webpage.

[Consolidated Comments](#) - Current analysis for the 13 indicators in a single document.

Select the Indicator Data title below to access indicator data in Excel format.

Frequency	Indicator Data	Source	Most Recent Data Released	LSA Comments and Analysis
Annual	<a href="#">State Population</a> Iowa population since 1900 and population change components since 2010		12/23/2014	
Monthly	<a href="#">Unemployment Claims</a> Number of Iowa unemployment claims in a month		07/27/2015	
Annual	<a href="#">State GDP</a> Iowa GDP - The value of all goods and services produced in the state		06/10/2015	
Monthly	<a href="#">Philadelphia Fed State Index</a> State coincident economic indicator produced by the Philadelphia Federal Reserve Bank		07/27/2015	
Quarterly	<a href="#">Personal Income/Wage Income</a> State personal income and wage and salary income quarterly estimates		06/22/2015	
Monthly	<a href="#">Nonfarm Employment</a> Monthly employment numbers through the nonfarm series		07/27/2015	
Monthly	<a href="#">New Vehicle Registrations</a> Number of new vehicles registered in Iowa each month		07/15/2015	
Monthly	<a href="#">Labor Force Participation Rate</a> Working Iowans as a % of population age 16 and older		07/29/2015	
Monthly	<a href="#">Iowa Housing Permits</a> Number and value of housing building permits issued in Iowa		07/27/2015	
Quarterly	<a href="#">Housing Price Index</a> Index of Iowa housing values - All transaction price index		05/27/2015	
Monthly	<a href="#">Household Employment Survey</a> Number of Iowans working or looking for work		07/29/2015	
Monthly	<a href="#">Farm Commodity Prices</a> Price of corn and soybeans		08/11/2015	
Monthly	<a href="#">Department of Revenue Index</a> Indicator of the Iowa economy immediate future		08/07/2015	

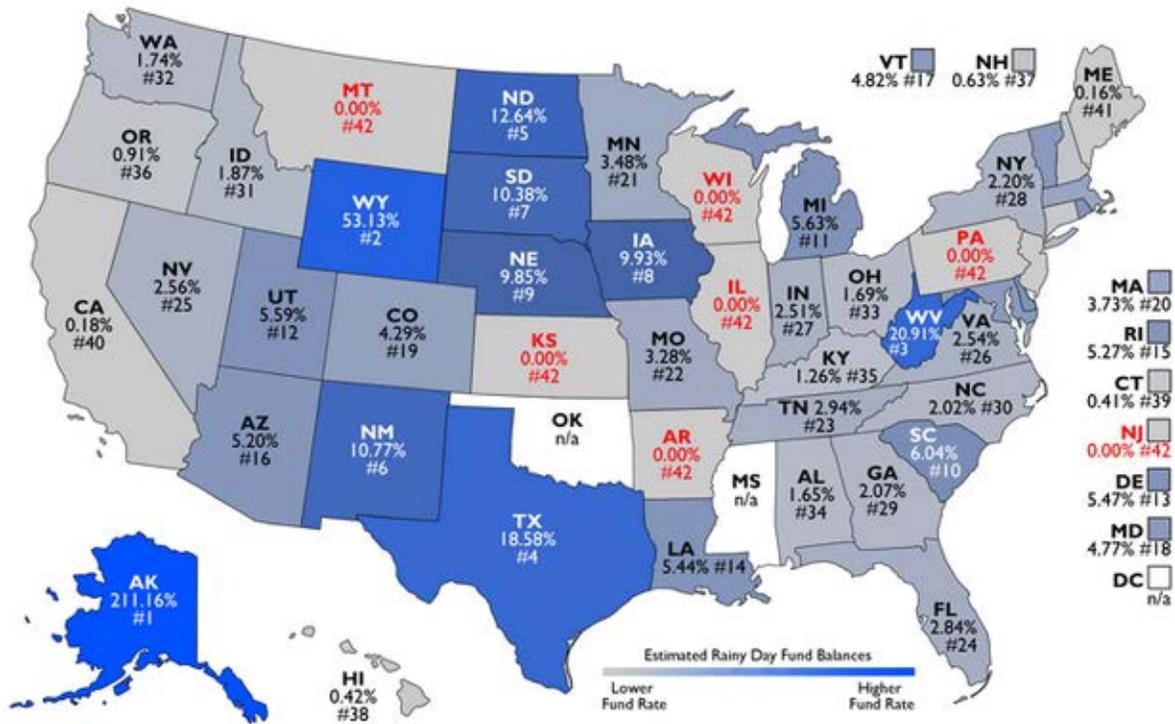




**LSA Explanation:**

- “Iowa nonfarm employment has been expanding at about a 21,000 job annual pace for the past 47 months. According to current numbers and using the seasonally adjusted nonfarm series, Iowa employment first exceeded its pre-recession peak (May 2008 = 1,528,000) in July 2013 and with the 1,568,200
- May 2015 reading, employment is 40,000 jobs above the previous peak. The May, 2015 nonfarm employment reading is an increase of 21,400 (1.4%) compared to May 2014.”

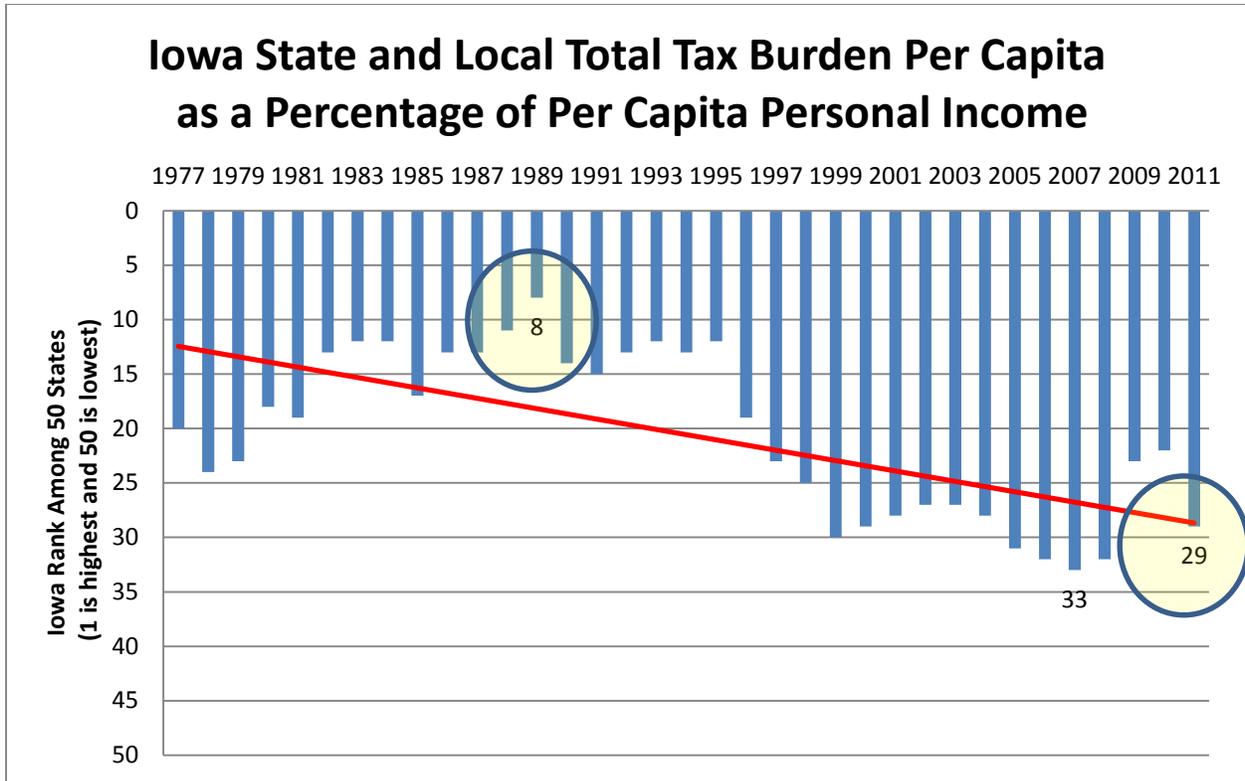
# Rainy Day Fund Balance as a Percent of Annual General Fund Spending (FY 2013)



Source: National Association of State Budget Officers (NASBO), *Fiscal Survey of the States*, Spring 2013.  
 Note: Data not available for Oklahoma, Mississippi, or the District of Columbia.

[taxfoundation.org/maps](http://taxfoundation.org/maps)

Iowa ranks 8<sup>th</sup> in FY 2013 in rainy day fund balance as percent of annual GF spending.

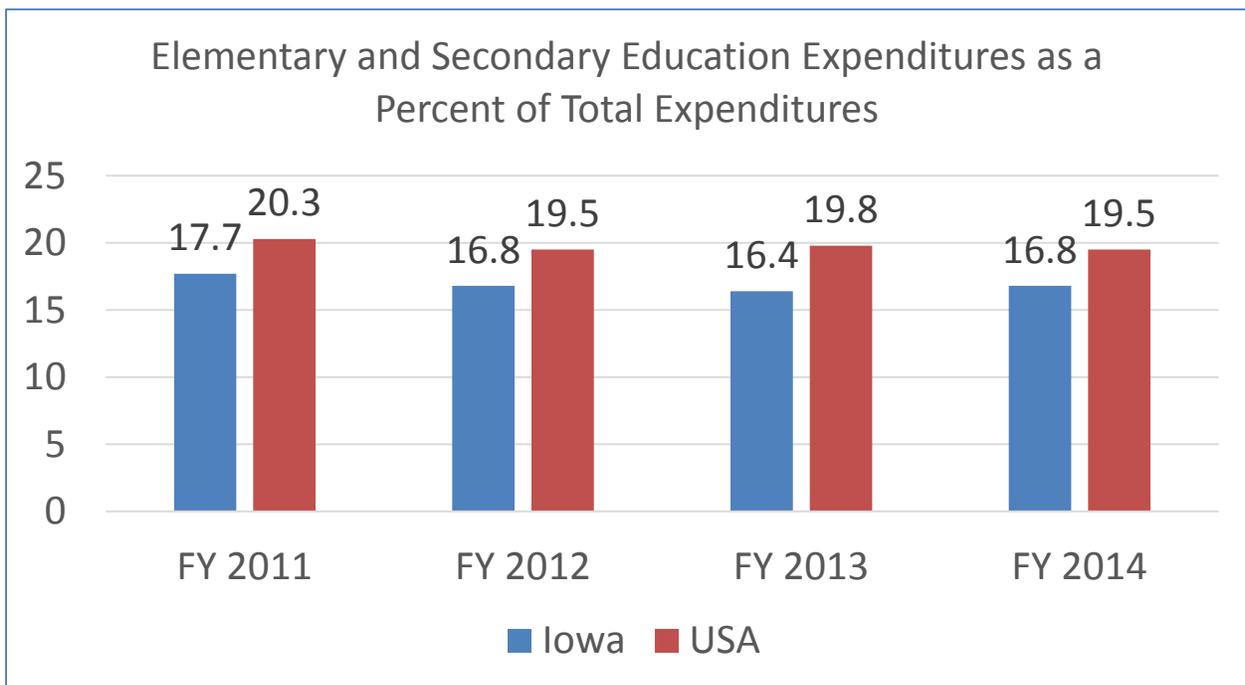


Source: [www.taxfoundation.org](http://www.taxfoundation.org) Tax Foundation calculations based on data from the Bureau of Economic Analysis, the Census Bureau, the Council on State Taxation, the Travel Industry Association, Department of Energy, and others.

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”, they show:

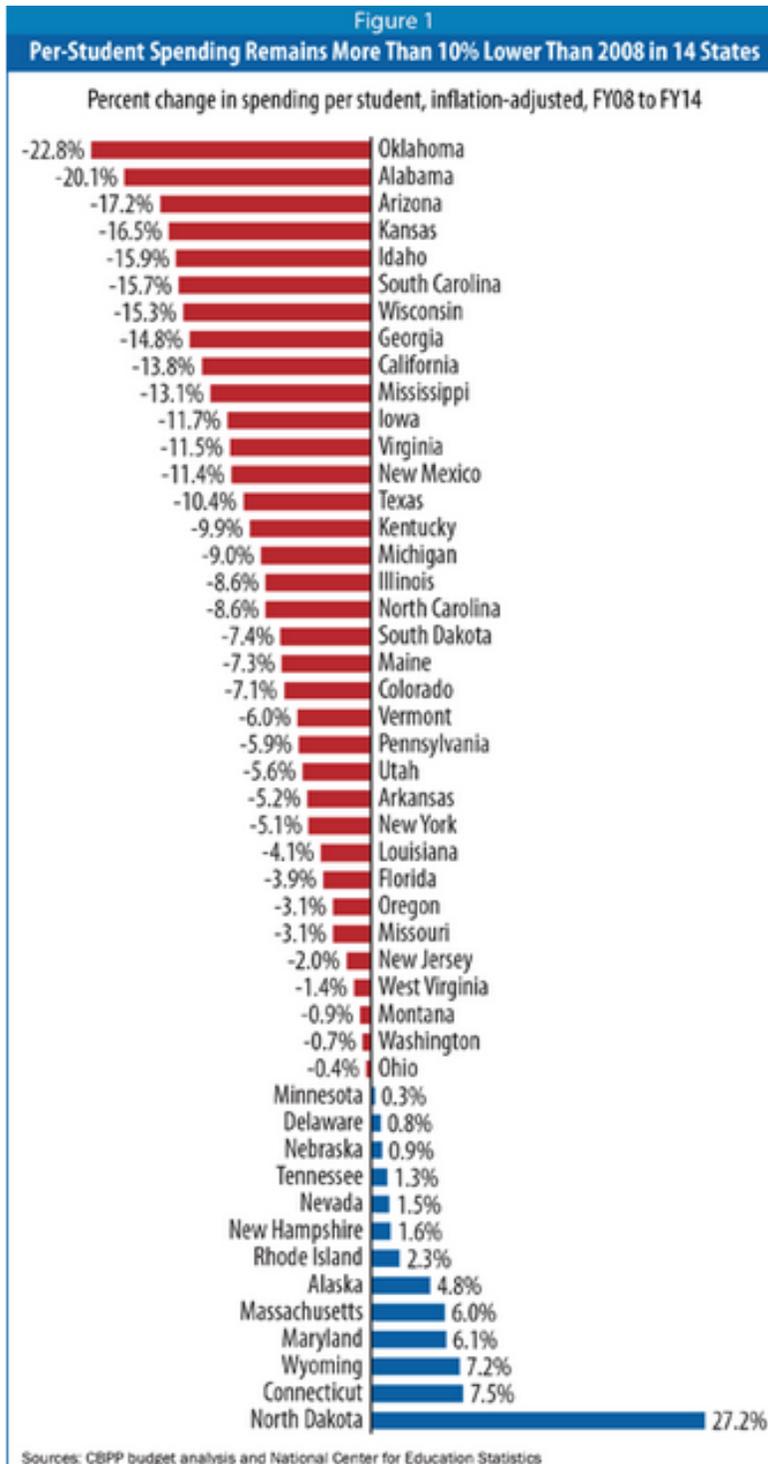
Iowa Elementary and Secondary Education for FY 2014 was 16.8% of total state spending. That is below the average for the plain states region in which Iowa is categorized and well below the national average of 19.5% for all states.

<http://www.nasbo.org/sites/default/files/State%20Expenditure%20Report%20%28Fiscal%202012-2014%29S.pdf>



**Center on Budget and Policy Priorities**, May 20, 2014  
 Study looking at all spending.

<http://www.cbpp.org/cms/?fa=view&id=4011>



- Iowa experienced -11.7% change in spending per student, inflation-adjusted, since 2008
- Only 10 states lowered spending more than Iowa
- Study concludes Iowa has lost \$641 per student, inflation-adjusted, since 2008
- FY 2014 increase in per student spending doesn't compensate for the prior cuts: Iowa's change in spending per student, inflation-adjusted, FY 2013 to FY 2014, was \$23.
- FY 2015 increase of 4%, or \$245 per student, would have corrected for about 1/3 of the lost spending capacity, not counting any further inflationary increases. However, followed by the 1.25% increase per pupil in FY 2016, any gains in FY 2015 are likely illusive.